

Herald Tribune

Published with The New York Times and The Washington Post

8,524

PARIS, MONDAY, SEPTEMBER 30, 1974

Established 1887

WEATHER FORECAST - PARIS:
Temp. 14-15 (57-63). Tomorrow variable.
5 (50-61). LONDON: Variable. Temp.
15. Tomorrow variable. Temp. 14-5.
CHANNEL: Moderate. WIND: Overcast.
2 (46-61). NEW YORK: Variable. Temp.
59.
NATIONAL WEATHER - COMICS PAGE.

Algeria	10 S.	Lebanon	11.40
Belgium	10 S.	Luxembourg	11.40
Denmark	10 S.	Morocco	2 Dr.
France	10 S.	Netherlands	1.25 Flor.
Germany	10 S.	Nigeria	40 K.
Greece	10 S.	Norway	2.75 N.Kr.
India	10 S.	Portugal	10 Esc.
Iran	10 S.	Spain	165 Ptas.
Italy	10 S.	Sweden	2.25 S.Kr.
Japan	10 S.	Switzerland	1.50 S.Fr.
South Africa	10 S.	Turkey	1.25 Liras
U.S. Military (Eur.)	10 S.	U.S. Military (Eur.)	30.25
U.S. Military (Eur.)	10 S.	U.S. Military (Eur.)	30.25
U.S. Military (Eur.)	10 S.	U.S. Military (Eur.)	30.25

Full Program Vowed in 10 Days Ford Names Simon Chief of New Economic Board

By Peter Mikus

WASHINGTON, Sept. 29 (WP). President Ford yesterday named economic high command and announced that he would oversee a "coherent and integrated" economic program in 10 days.

The president's program is a two-day summit conference on the economy which he then took office two days ago, he told the delegates. "I have done your homework. It is my turn."

President announced that he is creating by executive order a new 14-member Economic Board to serve as a clearinghouse for "all the federal government's economic efforts, and international." He named William Simon as its chairman and administrator, "principal man on matters of economic policy."

Ford also named his long-time and current adviser, William Simon, as executive of the new board. Simon, 56, is a former chairman of the Federal Reserve Board and a member of the President's Council on Wage and Price Stability.

Simon, 56, is a former chairman of the Federal Reserve Board and a member of the President's Council on Wage and Price Stability. He will be the principal man on matters of economic policy.



William Simon

He will shortly send Congress a plan to cut at least \$5.4 billion from projected spending this fiscal year and hold the budget "at or under \$300 billion."

Simon pledged that his program will include some means of providing "productive work for those without jobs" if, as expected, unemployment rises as the government acts to cool off inflation.

Presumably this would be a so-called public service employment program, with federal funds going to states and cities to hire the jobless.

Simon also will ask Congress to "adjust our tax system" to do such things as "encourage savings... discourage excessive debt and... correct inflation-caused inequities." Aides have said he may propose lowering taxes on low and middle-income families to compensate them for inflation and reduce pressure for big wage increases.

He was also urged at the summit meeting by spokesmen from the hard-hit housing industry to move toward exempting from taxes the first \$1,000 or some similar amount in interest on savings, as a possible way of keeping money in savings and loan associations, and thus available for mortgages.

But Mr. Simon told reporters yesterday that no definite decision has been made yet in the tax field. Aides have also warned that the President will propose offsetting tax increases of some kind so there is no net loss of revenue and inflationary increase in the federal deficit.

The President also announced yesterday that he is appointing a Princeton University economist, Albert Rees, as director of his Council on Wage and Price Stability, a wage-price monitoring agency. And he said he was creating, by another executive order, a 16-member Labor-Management Committee, under the (Continued on Page 2, Col. 7)



DEFENSIVE POSITIONS—Tanks stand guard outside the presidential palace in Lisbon.

Spinola Keeps Post; Rightist Push Quashed

LISBON, Sept. 29 (AP).—Gen. Antonio de Spínola appeared today to have survived a crisis that threatened his hold on the Portuguese presidency.

Although he managed to stay in office under pressure from the left, Gen. Spínola seemed to have lost ground to the group of younger army officers who carried out the military coup in April.

The crisis developed out of an attempt yesterday to organize a demonstration by conservatives in support of Gen. Spínola. Military spokesmen said that extreme rightists had conspired—unknown to Gen. Spínola—to turn the demonstration into a counter-revolution and a return to the previous dictatorship.

Arms were seized yesterday morning at military checkpoints ringing the capital. More than 300 rightists were arrested before dawn. The Communists threatened street action to stop the rally, and Gen. Spínola, on the advice of the general staff, annulled the demonstration at the last moment.

Gen. Spínola never directly appealed for a demonstration by conservatives but, because of his call Sept. 10 for the "silent majority" to assert itself, he found it difficult to escape identification with the rally's backers.

This led to reports from sources close to the government that Gen. Spínola's resignation was imminent.

It was being discussed this morning, they said, at a meeting between the President and the Council of State—a tripartite provisional directorate comprised of young officers, senior military men and civilian politicians.

Following the council meeting, Gen. Spínola immediately went into session with the members of the Coordinating Commission of the Armed Forces Movement, which many Portuguese consider to be the real power in the nation.

Measures Decided

At the end of the commission meeting, radio and television broadcasts were interrupted for an announcement that Gen. Spínola, the chief of staff, Gen. Francisco de Costa Gomes, and the coordination commission had decided on measures "to reinforce and guarantee democratization" of the country and reaffirm "unity between the armed forces and the provisional government headed by Brig. Vasco (Dos Santos) Gonçalves."

The point of the communiqué was seen as simply stating that Gen. Spínola was staying on and that Gen. Gonçalves, a leftist officer forced on Gen. Spínola as Premier, had nearly equal powers.

In the aftermath of what the military was calling a plot, Lisbon was still tense today.

Roadblocks on access routes to the capital were manned by soldiers with machine guns who searched incoming and outgoing vehicles for arms. Trains were (Continued on Page 2, Col. 3)

Arabs to Ask UN to Allow PLO Speech

Address by Arafat To Assembly Sought

By Paul Hoffmann

UNITED NATIONS, N.Y., Sept. 29 (UPI).—Foreign ministers and other officials representing the 20 members of the Arab League have agreed on a draft resolution that would invite the Palestine Liberation Organization as the "representative of the Palestinian people" to address the UN General Assembly.

The procedure envisaged by the Arab League was said to be without precedent in the UN.

Nevertheless, the sponsors of the draft resolution hope that it will be adopted by a comfortable majority. Its adoption would enable Yasser Arafat, the leader of the PLO, the main grouping of guerrilla organizations, to appear in the assembly during the first week of November.

Details of the Arab strategy were learned yesterday in an interview with Foreign Minister Fuad Naffah of Lebanon. Mr. Naffah, a Maronite Christian, now holds the rotating chairmanship of the Arab League's Council.

Consultations Held

He presided last week during consultations at the Arab League's offices here. Members of the PLO participated in the meetings.

The Lebanese foreign minister said that, in the next few days, Arab envoys would consult delegations from "friendly states" and others in the UN to try to line up a majority for their draft resolution.

Arab League foreign ministers and other officials are scheduled to meet with Secretary of State Henry Kissinger at a dinner here tomorrow.

The United States did not object to a move by the Arab League earlier this month to have "the question of Palestine" entered as a separate item on the agenda of the General Assembly.

In previous sessions, matters involving the Palestinian refugees and related affairs were regularly discussed during debates on the Middle East situation.

Israel is bitterly opposed to the (Continued on Page 2, Col. 5)

No Indication of Economic Action

Talks by Big 5 End in U.S.

WASHINGTON, Sept. 29 (Reuters).—The finance ministers of the United States and four other major industrial nations ended discussions here today with no indication that they had reached agreement on how to deal with inflation and oil-price problems.

The meeting of the United States, Japan, West Germany, Britain and France was called by Secretary of State Henry Kissinger to discuss global problems caused by the 400 per cent rise in oil prices during the last year.

The finance ministers met yesterday at the State Department in a session with the nations' foreign ministers. After the session, some delegates privately expressed puzzlement at the urgency the United States had attached to the meeting. They reported that Mr. Kissinger had not made any new proposals.

After today's final session, involving the finance ministers and central bank chairmen, no communiqué was issued and no official statements were made.

Conservation, Revenue However, it was learned that the foreign and finance ministers yesterday discussed energy conservation, emergency oil sharing and how to handle the surplus Arab oil revenue pouring into international money markets and threatening to disrupt the world monetary system.

A key topic at the meeting was reported to be a proposal by Britain's chancellor of the Exchequer, Denis Healey, that oil-producing nations contribute a special \$30-billion fund, within the International Monetary Fund, from which industrial nations could borrow.

Under the British proposal, the oil-exporting countries would deposit their surplus funds with the IMF and receive a guaranteed rate of return.

Such a monetary reserve, upon (Continued on Page 2, Col. 2)

which industrial nations could draw, would help them to deal with problems caused by increased oil prices. A much smaller fund was set up last month, primarily to help developing nations.

Some sources said they believed the Arab oil-producing nations would not make the funds available to the IMF without a guarantee against loss of capital.

The group also was reported to discuss a West German proposal to create an international investment bank with oil exporters and consumers sharing in the risk of default.

During the meeting, France's positive attitude toward energy conservation and emergency oil-sharing talks was regarded as signaling the start of a new dialogue among the major oil-consuming nations, the sources said.

The sources said there was some skepticism about whether France could achieve its proposed \$1-billion limit on the value of oil imports next year.

The meetings were held at the State Department here because bad weather prevented helicopters from flying to the planned site at Camp David, Md.

The IMF announced today that (Continued on Page 2, Col. 2)

Sadat Chides U.S. for Oil-Price Fight

By Jim Hoagland

CAIRO, Sept. 29 (WP).—The Ford administration cannot count on Egypt to help the United States in its campaign to get Arab oil producers to lower prices and curb world inflation, President Anwar Sadat indicated last night.

Private comments by Egyptian and Western diplomatic sources here confirmed that Mr. Sadat's speech foreclosed Egyptian assistance to the U.S. drive.

Egypt, which played a key role in getting the Arab oil embargo against the United States lifted earlier this year, was said by Egyptian sources to have been dismayed by the sharp warnings that President Ford and Secretary of State Henry Kissinger have recently given oil producers.

"Those who invented the law of supply and demand have no right to complain when this law works against their interests," Mr. Sadat declared in what Egyptian policy formulators said was his first public reply to the new American campaign on oil. "Those who allowed the differences between them and the developing countries of the world... have no right today to speak about aid and reduction."

In private, Egyptian officials say more pointedly that they will not intervene with oil producers on the price issue as they did on the embargo in return for Mr. Kissinger's efforts to promote disengagement agreements on the Sinai and Golan fronts with Israel.

Egypt worked closely with Saudi Arabia in the embargo's lifting and Mr. Sadat's decision to stay out of the price battle undercuts the chances for broader Arab backing for the Saudi effort to bring prices down.

"The confrontation speeches were uncalled for," an Egyptian official said, "especially after we opened the door for Secretary [of the Treasury William] Simon to discuss economic cooperation here." In July, "this sounds reminiscent of Ford's congressional attitude toward the Middle East, but we were surprised to see Kissinger joining in now."

Mr. Kissinger is due here on Oct. 9 to resume his personal diplomacy in the Middle East. But the American campaign on oil prices and the diplomatic black-eye he is said here to have suffered on the Cyprus crisis have clearly raised new questions among Egyptian policy-makers about his ability to deliver a Middle East peace settlement.

The personal relationship between Mr. Kissinger and Mr. Sadat "is still a close one," said an Egyptian official who discussed the subject with the President recently.

"Now More Insistent" "But Sadat now will be more insistent on Kissinger delivering, after what has been too long a delay. Although we accept the American reassurances that the change from Nixon to Ford did not change the policy, it raises new questions about the American commitment in this region," the official said.

The Egyptians are concerned (Continued on Page 2, Col. 4)



Cuban Premier Fidel Castro addressing crowd in Havana.

Castro Attacks U.S. in Speech As Two Senators Visit Cuba

HAVANA, Sept. 29 (AP).—Despite a visit here by two U.S. senators and other signs that U.S.-Cuban relations might move toward improvement, Premier Fidel Castro last night gave an anti-American speech reminiscent of the cold-war era.

In the speech, Mr. Castro assailed CIA involvement in Chile and said that the United States alone was responsible for the world economic crisis.

Hundreds of thousands of Cubans in Revolution Plaza here heard Mr. Castro attack President Ford's recent defense of CIA funding of groups opposed to the late President Salvador Allende of Chile.

"The new President of the United States, to the surprise and stupefaction of Latin American public opinion, has declared that such actions were carried out in the best interests of the United States," Mr. Castro said.

"Thus, the government of the United States proclaims openly the right to intervene by any means, regardless of how illicit, dirty or criminal, in the internal processes of the nations of the hemisphere," he said.

Mr. Castro, who in recent years had toned down his criticism of the United States, made his remarks as Cuba was being visited by members of Congress for the first time since the United States severed relations in 1961.

The visitors, Sen. Jacob Javits, R-N.Y., and Sen. Claiborne Pell, D-R.I., were not present for the speech but were scheduled to meet with Mr. Castro before their departure for the United States tomorrow.

Only hours before Mr. Castro spoke, Sen. Javits, after a meeting with Cuban Foreign Minister Raúl Roa, said that it was his impression that Cuba was prepared to discuss normalization of relations with the United States.

Today, Sen. Javits told reporters: "We were very disappointed with the speech. He would have made it whether we were here (Continued on Page 2, Col. 1)

Ford Has Surgery for Cancer of Breast

By Stuart Auerbach

WASHINGTON, Sept. 29 (WP). Betty Ford's right breast moved yesterday after a showed that a suspicious cancerous. Doctors said a chance of survival of patient's wife were favorable.

Overall prognosis will be excellent," said Dr. William Lukash, the White House physician, after the three-hour operation at the Bethesda Naval Medical Center.

National statistics show that three out of four women in Mrs. Ford's condition survive. President Ford, who spoke to his wife briefly as she recovered from anesthesia, told delegates to an economic summit meeting here that Mrs. Ford "came through the operation all right."

"Difficult 36 Hours" "It's been a difficult 36 hours," the President said. "Our faith will sustain us. Betty would expect me to be here."

(Sen. Hubert Humphrey, D-Minn., said Mr. Ford was crying after his talk to the economic conference following the operation, AP reported. "I feel so sorry for him," Sen. Humphrey told reporters after Mr. Ford left the session. "I just shook hands with him. Tears were streaming from his eyes.")

Mrs. Ford's surgeon, Navy Capt. William Fouhy, the chief of surgery at the naval hospital, said he performed a radical mastectomy, which he called "the standard accepted procedure."

In operating on Mrs. Ford, 56, Capt. Fouhy said he removed the entire "gross tumor," the entire right breast, the muscles under her breast on the chest wall, the pectoral muscles that extend from her chest under the arm and the lymph glands that run along those muscles.

Although he said he saw no signs of further cancerous growths in either Mrs. Ford's breast or the surrounding muscles, Capt. Fouhy added, "I don't think one can make the statement that all the malignancy has been removed."

Pathological Studies He said further pathological studies of the breast and lymph nodes will take an additional three or four days. Scientists at the National Cancer Institute who are examining one of the nodes said their preliminary study showed cancer cells.

He refused to say this was an ominous sign for Mrs. Ford, but acknowledged that it could narrow her chances slightly of living a full life. "It's not necessarily bad," he added.

It could, however, determine the course of her future treatment. As of now, Capt. Fouhy said he plans no treatment with either powerful anticancer drugs or radiation. But signs of cancer spread in the lymph glands could change that.

A hospital bulletin issued today said that Mrs. Ford's "post-operative course continues to be satisfactory." AP reported, President Ford spent about two hours at the hospital today and said afterward that his wife was "a little tired" but otherwise doing very well. As for himself, Mr. Ford said, "I feel a lot better today."

Capt. Fouhy said that he expects Mrs. Ford to remain in the hospital for about 10 days and then three to four weeks convalescing. Dr. Lukash said that friends, who have undergone (Continued on Page 3, Col. 1)

ath Keepsoves on asfish Yawn

By Alvin Shuster

ON, Sept. 29 (NYT).—0 days to go before the Prime Minister Harold and his Labor party are ably ahead in the polls,ervative party challenger Heath is keeping his m and the British are slick looking for the drama

standards, it has been a odd first week of an campaign, given the and of severe economic and much of the credit, or for the tone of restraint— all it boredom—goes to ath, the normally com-politician who was ousted r minister in the voting en months ago.

dually, his subdued style some as much of a point s as the issues of inflation and the trade and Mr. Wilson, always h of the political juggle, a statement the other day the whereabouts of his

advisers to Mr. Heath said things will hot up soon, that his strategy is to be close to the spirit people Mr. Heath himself ed today that the "British s to death of party bicker-party leaders slumming other."

s not only walking softly o not carrying a big stick. scription for the future of s based on vague pleas tional unity and promises all outside the Tory party ued on Page 2, Col. 7)



Soviet artist showing his nonconformist canvas to group of Muscovites yesterday.

10,000 Flock to Moscow Park To See Show of Modern Art

By Hedrick Smith

MOSCOW, Sept. 29 (NYT).—More than 10,000 persons flocked today to the biggest officially sanctioned show of modernistic and nonorthodox art by Soviet painters since the avant-garde movement of the 1920's.

Packed sometimes 10 deep, they gathered in a huge open field on a sunny fall afternoon, scrambled up and down ditches and held children aloft on their shoulders to get a glimpse of about 500 paintings by about 65 artists offering styles from "classical realism or religious symbolism to surrealism, pop-art, coloristic abstractions or the acid art of the psychedelic era."

Four official artists, members of the Union of Artists, defied official warnings not to take part because the show would include "anti-Soviet art." At least two who exhibited previously forbidden works said they expected to lose their jobs. Many of the other artists were members of the Graphic Artists Organization.

After a decade in which Soviet authorities have increasingly tightened controls over culture, today's show near Izmailovo Park on the eastern edge of Moscow was an extraordinary event.

A French diplomat called it "a Russian Woodstock." A Russian said it seemed more like Paris than Moscow—"bizarre art but no drugs and no police." Despite some apprehensions, it went off without incident or any intervention by the authorities, who kept a discreet watch.

After the violent disruption and repression of a similar but much smaller outdoor show held by some of the same artists two weeks ago, today's exhibition was probably more important politically than aesthetically. It was decidedly less daring than that of Kazimir Malevich, Popova, (Continued on Page 2, Col. 6)

In Studying Evangelization

Bishops at Rome Synod Urge Church to Recognize Failings

ROME, Sept. 29 (NYT).—Bishops speaking for all the Roman Catholic episcopal conferences of the world called on the church yesterday to be faithful to the Gospel and also to recognize its own failings.

On the second day of the meeting of the Synod of Bishops, five prelates from five continents reported the views of their colleagues. All five expressed hope as well as concern.

"Many reports strongly emphasize that the church must shift its gaze from itself and toward Christ and man," said the Most Rev. Roger Etchegaray, archbishop of Marseille, who was relaying the ideas of European episcopal conferences. "In fact the church, bearer of the Gospel, appears to have become an obstacle to the Gospel. Its reputation is damaged, especially because the church seems to use up all its energy dealing with internal matters. The image of a narcissistic church has nothing attractive about it."

Archbishop Etchegaray referred

to the conflict in Europe between Marxist and "liberal ideologies," noting that "the church makes no judgment on any system, but it urges the will and power of society to safeguard all the fundamental rights of the human person, not only in law but in deed, and in the fullest sense of the term."

He warned his brethren—gathered here for a one-month session with conclusions intended as advice to Pope Paul VI—that the task of evangelization is not simple. "Atheism is not the exception," he said. "Indeed, what is more unusual is to find true faith."

Reporting for the African conferences, the Most Rev. James Sangu, bishop of M'Bea, Tanzania, recalled that Africans associated Christians with colonialism and with rivalry of sects. But he noted that in the last 20 years missions have become dioceses, with evangelization in the hands of Africans.

Joseph Cardinal Cordero, archbishop of Karachi, Pakistan, on behalf of the Asian bishops, noted that "a certain kind of colonialist hangover [a word he used in English in his Latin speech] constituted an obstacle to the work of evangelization."

In Asia, the cardinal reminded his colleagues, Christianity is a minority religion and effective evangelization requires the faithful to study Buddhism, Hinduism and Islam.

On behalf of English-language episcopal conferences, the Most Rev. Joseph Bernardin, archbishop of Cincinnati, suggested that a secularized culture was neither an exception nor an option, but rather the contemporary one for evangelization—and not an obstacle, but a challenge, requiring a different sort of formation in the faith.

Two Senators Visit; Castro Assails U.S.

(Continued from Page 1)

or not. I thoroughly disagree with him and will tell him so."

A 20-member U.S. press delegation, here with the senators, attended Mr. Castro's speech.

Mr. Castro's speech, which was 45 minutes long, was devoted exclusively to grievances against the United States.

Half of the speech, concerned Mr. Ford's appeal to oil-producing countries for a lowering of oil prices to avert worldwide economic chaos.

Mr. Castro said international inflation is a result of U.S. policies. Alluding to the "hundreds of billions of dollars" the United States has spent on its "war budget," Mr. Castro said: "In these deplorable imperialistic policies are the roots of inflation, which emerged long before the oil-price increases."

The speech indicates a retreat by Mr. Castro from signs of willingness to move toward normal ties with the United States.

The senators' visit was an indication of a Cuban policy shift. Mr. Castro also had expressed hope that Mr. Ford's accession to the White House last month might lead to an improved climate between the countries.

There is a movement in the Organization of American States to drop the 10-year-old hemispheric economic and diplomatic sanctions against Cuba, and the United States is reportedly reviewing its Cuban policy. The United States severed ties with the Castro government in January, 1961.

Big 5 End Energy Talks

(Continued from Page 1)

President Ford will address tomorrow's opening session of the annual meeting of IMF and World Bank here.

As a press conference, the IMF's managing director Hendrikus Johannes Witteveen, announced that nine more countries had drawn on the IMF's oil fund. Among the nine countries was Italy, the first industrial nation to borrow from the fund. Italy drew \$315 million.

No Short-Term Policy

WASHINGTON, Sept. 29 (AP).—John Sawhill, the director of the U.S. Energy office, said the nation has no short-term policy to halt and reverse rising world oil prices.

Mr. Sawhill said the United States must assume that oil producers will be able to manipulate supplies and "materially affect world prices" over the short run.

He said that if the oil-producing nations are able to retain this power through 1980, "they will be able to accumulate a petrodollar surplus, just from the sale of crude oil, of several hundred billion dollars."

7 Venezuelans Killed In Air Show Crash

CARACAS, Sept. 29 (AP).—At least seven persons were killed yesterday when a Venezuelan Air Force jet participating in an air show plunged into a four-story building, firemen reported.

Witnesses said the two-seater TD-2 trainer was pulling out of a dive when it apparently lost power and crashed into the ground floor of the office building. The pilot and co-pilot, three persons who had been inside the building, including a child, and two passers-by were killed, the official said.



Chinese Communist party Chairman Mao Tse-tung flanked by Philippine first lady Mrs. Imelda Marcos and her son, Ferdinand Jr., during visit to Peking last week.

Spinola Keeps Post, Rightist 'Push' Foiled

(Continued from Page 1)

systematically checked and airport security was strengthened.

Seeing an opportunity to gain ground on the competing Socialist and Popular Democratic parties, the Communists were claiming victory for the defeat "of fascism."

The state radio said that troops today found a rifle fitted with telescopic sights mounted in a window of a house opposite that of Gen. Goncalves.

Informed sources said seven men were arrested and a quantity of ammunition seized.

Names Released

The military command yesterday released the names of nearly 50 persons, including the son of deposed Premier Marcello Caetano, who were among the more than 300 reported arrested.

A military spokesman said that most of the arrests were "preventive measures."

Besides Mr. Caetano's son, Jose Serra, the list included former Defense Minister Joaquim da Silva Cunha and former Interior Minister Cesar Baptista, both recently released from Caldas Prison to house arrest in Lisbon.

Also arrested was Alberto Franco Nogueira, foreign minister in the government of the late dictator Antonio de Oliveira Salazar.

Also arrested was Alberto Franco Nogueira, foreign minister in the government of the late dictator Antonio de Oliveira Salazar.

Israel Admits Units Patrol In Lebanon

TEL AVIV, Sept. 29 (UPI).—Israel admitted today that its troops have been patrolling inside Lebanon in what a military spokesman described as preventive measures designed to stop the infiltration of guerrillas into Israel.

Small units of Israeli soldiers crossed into Lebanon Friday and yesterday and halted vehicles along the road near the frontier in a search for weapons, a military source said.

Meanwhile, a homemade bomb exploded at the rear of a bus carrying Arab workers from the occupied Gaza Strip to their jobs in Tel Aviv, killing one person thought by the police to have been carrying the bomb and wounding three others.

In Jerusalem, the driver of another bus found a small bomb wrapped in brown paper tucked under the rear seat of the vehicle. The police said that the bomb was dismantled.

"The Israeli defense forces are taking preventive measures along the Lebanese border that include several police actions inside Lebanon," a military spokesman said.

A military source said that Israeli troops did not encounter interference from Lebanese soldiers or police on their forays into Lebanon. He described the incursions as very brief.

He said the troops patrolled along the Lebanese road about 1,000 yards from the frontier and did not go deeper into Lebanon.

"They stopped cars and they searched for weapons but they did not erect any roadblocks," he said.

Sadat Chides U.S. for Drive To Reduce Arab Oil Prices

(Continued from Page 1)

by what they see as the harder line that Israeli Premier Yitzhak Rabin took on peace agreements after his return from Washington this month. "His remarks indicate either that there was no attempt to persuade him to be more conciliatory, or that the permission was not effective," an Egyptian diplomat said.

The strong criticism that Arab militants leveled at Mr. Sadat on the embargo-lifting is one of the key factors in his decision to maintain a low profile on the price issue, Western analysts feel.

The major Arab oil producers, including Saudi Arabia and Kuwait, are said to have made it clear that they did not want a relatively small oil exporter like Egypt becoming involved in an oil-policy battle.

Mr. Sadat spoke on the fourth anniversary of the death of his predecessor, Gamal Abdel Nasser.

PLO Speech Sought at UN

(Continued from Page 1)

placing of a special Palestine debate on the General Assembly agenda.

Denouncing the PLO as a "murder organization," Israeli officials have warned that its presence at the UN would discredit the world organization and increase tension in the Middle East.

In the interview, the Lebanese foreign minister said a UN invitation to the Palestinian organization would give it "international status" and help to solve Middle East problems.

If the question of Palestinian claims were settled, he said, "there would be a much better atmosphere for solving the oil crisis."

"The Palestine Liberation Organization is an indispensable partner to any negotiation for peace in the Middle East," Mr. Nafiah continued.

The Arab request to place a separate Palestine debate on the assembly agenda was backed by many African and Communist countries in the UN. A majority also may be found for the initiative to invite the PLO, despite procedural difficulties.

In the world organization's 28 years of existence, only representatives of member states have addressed the General Assembly. African liberation movements were permitted to expound their views at UN headquarters, but only in committee meetings.

Rally in Limassol Backs Makarios

LIMASSOL, Sept. 29 (Reuters).—More than 15,000 persons jammed the center of Limassol today in demonstrations for the return of deposed President Makarios without any of the feared clashes with the underground EOKA-B organization.

Limassol is the traditional base of the extreme rightist EOKA-B faction, which has campaigned for union with Greece. The Greek Cypriot government had appealed for restraint by both the archbishop's supporters and opponents at the rally.

Demonstrators packed a square and main street here for more than two hours, chanting, singing and waving banners and posters backing the archbishop, who was deposed in a rightist coup July 15.

Europe Rattled by Grim Economic News

By Clyde H. Farnsworth

PARIS, Sept. 29 (NYT).—Increasingly grim economic prospects are rattling Europeans as never before in the postwar era, shaking the confidence not only of bank managers and corporate treasurers but also of factory and office workers who are wondering whether they will still be holding their jobs next year.

In the capitals of London, Paris and Rome, in the farming villages, and in industrial towns stretching from Norway to Naples, the fear of a financial collapse is dominating conversations and shaping attitudes of caution in spending.

As the world's financial leaders gathered in Washington this weekend for the opening tomorrow of the annual meeting of the International Monetary Fund to try to resolve the problems of inflated oil prices, an overabundance of "petrodollars," plummeting stock markets and some bank failures, Europeans were embroiled in a controversy that seemed only to compound the problems.

Farm Prices

It was a new conflict over farm prices—mainly between France and West Germany—threatening further erosion of Common Market unity at a time when the pooling of interests and resources by Europeans appeared essential to head off future economic and social troubles.

In fact, closer cooperation on a global level is needed, as President Ford and Secretary of State Henry Kissinger said the other

First One Permitted in Half a Century

10,000 Flock to Moscow Modern Art Show

(Continued from Page 1)

Tatlin and others were painting half a century ago and which is still not publicly exhibited in this country.

"This is a classic example of the influence of 'dadaism,'" said Alexander Goldfarb, a young scientist and friend of many of the artists. "This never would have taken place without the pressure of the West, and hard pressure at that."

And there were indications that the mere appearance of so much unorthodox art and the fact the authorities had been forced to let the show take place had sown seeds of ferment.

Poets Confer

Some iconoclastic poets were talking about asking for permission for an outdoor reading of their works. The unofficial artists who organized today's show said they would press for an indoor exhibition and future outdoor shows. And long after the canvases had been taken off easels and carted away by the official 4 p.m. deadline, knots of people, young and old, were quietly arguing the merits and demerits of modern art—an almost unprecedented public event in Soviet life.

"It's the first time in half a century we have had such a show," a Moscow literary critic said. "It's remarkable, tremendous."

"This must be a beginning and not an end," said a Moscow artist in his mid-thirties, approaching foreign correspondents. "We may not agree with all the art we have seen today, but it does exist and it is a possible course for our young artists. Thanks to your foreign broadcasts and foreign press articles, people found out where to come to see this art."

The mood of those who came, despite the lack of any local publicity, was a dramatic contrast to the atmosphere two weeks ago when bands of young vigilantes used bulldozers, dump trucks and water-squirting street cleaners to break up the first show.

After the backlash of foreign criticism, the Moscow City Council authorities, on higher instructions, granted a group of 24 artists led by Alexander Rodchenko and art collector Alexander Glazov permission for today's show, which the artists, with a touch of irony, termed the "Second Fall Outdoor Art Show" on their typed invitations.

There was some fear that admission would be restricted to people with invitations, but no effort was made to curtail the crowd, although plainclothesmen photographed Russians who talked with foreign correspondents and diplomats.

The artists refrained from showing openly political works.

Holiday Mood

Today's crowd, mostly young and well educated, was sometimes

mad and bigger and definitely in a holiday mood. Toward the art, they were friendly, respectful, curious. For four hours, they inched along a thin string that stretched several hundred yards across the field, meant to hold them back a few feet from the paintings. But they crowded in close.

Many took snapshots. Often, people called out for the artists or for paintings to be held aloft because the crowds were so thick that it was impossible to see. Occasionally, people broke spontaneously into applause.

Probably the most popular artist was Vladimir Mayakovsky, who created a sensation with a

surrealistic treatment of Pasternak. It showed a prehistoric portrait of a man hanging over a skull table. The tree of life on the skull and entwined trail.

The crowd also liked his blue fantasy of Ophelia, her hair and limbs melded the waves; a mauve Cemetery from which ar geometric stand of tall, birches rose, and another prehistoric all-blue fan a girl in a kerchief c from the woods titled "D That's the new won painting new," gushed an artist.

Heath's Restraint Strategy Takes Sting Out of Campaign

(Continued from Page 1)

In search for solutions to the country's problems.

All this marks a sharp turn from his tough and unyielding stance in the February election, which he called during his fight with the coal miners, whose strike against wage controls led to a three-day week for much of British industry and widespread power blackouts. Then, he demanded to know "Who governs Britain?"

In effect, the answer from the British was "nobody." The results of the election were inconclusive, with voters switching to the tiny Liberal party—and other groups—against the Labor party just enough seats to form a government, although without an overall majority in the House of Commons.

To Mr. Heath and his Tory strategists, that election showed that the British were disenchanted with confrontation of all kinds, weary of politicians and interested in "consensus" politics that would bring the country together. Now Mr. Heath is trying to demonstrate that he is the man to do it.

voluntary "contract" is way to limit inflation increases.

Mr. Heath has seen Wilson of misleading the about inflation and of play down the crisis. It of a "wages explosion" gested that the Tories a hesitate to return to le on pay if all else fails.

Mr. Wilson himself out controls, but some of isters have said privately "social contract" was thing and that legal cu have to be considered.

The party leader who most specific on this has been Jeremy Thorpe. Liberals captured about cent of the vote in Feb. 14 seats in the 635-seat Commons. He said that were a necessity, saying only difference between them is that we are in this advance."

Debat' Obscured

The result of this strategy, together with that of the Labor party, has been to remove much of the sting from the campaign so far and generally to obscure the differences between just how the two major parties would grapple with the crucial issue of inflation, now running at about 17 per cent.

Mr. Heath is talking about a "national contract" between business, the unions and other political parties, while Mr. Wilson is relying on his "social contract" with the unions, an unwritten agreement perceived by the Labor party as a pledge by union leaders to restrain their pay demands.

Mr. Wilson, recalling Mr. Heath's troubles with the coal miners on wage controls, is arguing that his

Mavros Corr View on Kissi

UNITED NATIONS, 29 (AP).—George Mavros, minister of Greece, that he was "obviously stood" when quoted Secretary of State H. Kissinger wouldn't be mediator in the Cyprus dispute, a statement the sign minister actually Kissinger is not likely "trusted" with the job and Turkey. The Aspet quoted Mr. Mavros as news conference Wedn don't see the role of H singer as a mediator i us and trusted by th

Dissolution Rej By Ford Found

NEW YORK, Sept. 29 (AP).—The Ford Foundation's Trustees has voted not to dissolve the phi organization, but eco facilities may force back annual grants as 50 per cent.

However, the trustee at their regular quart on Wednesday to post on grants at least u next scheduled m December. The depu curity market and in dropped the fundatio from \$3 billion to during the last year.

Israeli Ex-Leader

JERUSALEM, Sept. 29 (AP).—Former President Shazar, 85, was ad Hadassah Hospital i night. Today, doctors that his condition was

Ford Appoints Simon as C Of New Economic Policy

(Continued from Page 1)

chairmanship of Harvard economist John Dunslop, director of the government's old Cost of Living Council.

The committee, with eight members from the corporate world and eight from the labor movement, will advise the President on economic issues and, hopefully also, Mr. Ford said, help assure "effective" collective bargaining and "promote sound wage and price policies."

National Energy Program

In still another field, the President said he will "soon propose a national energy program aimed at assuring adequate internal supplies while reducing dependence on external sources." He did not indicate what this program might include, but Commerce Secretary Frederick Dent told reporters that he does not anticipate that Mr. Ford will propose mandatory limitations on fuel consumption, such as the country had last winter.

The President called on the public yesterday to limit energy consumption voluntarily. "Right now," he told his audience on national television, "make up a list of 10 ways you can save energy and fight inflation—little things that have become habits but don't really affect your health and happiness."

The President also turned briefly to the foreign observers at yesterday's session. Some countries are heavily dependent on the U.S. market, and are fearful that retrenchment here may cost them sales and jobs at home.

"I assure you," the President

said, "the United States ing honest intentions help, not hinder, other efforts to advance o their economic health." He "extensive consulta leaders of other gov

In addition to Mr. S Mr. Seidman, the new Policy Board will inch cabinet members: the t state, industry, agricul merce, labor, health, and welfare, housing a development and trans its other members will Ash, the Director of the Management and Bud; Greenspan, chairman, Council of Economic William Eberle, executi of the Council on Int Economic Policy, and Burns, chairman of the Reserve Board.

Greek Pilot Acq In 37 Crash De

ATHENS, Sept. 29 (AP).—A Greek pilot whose crashed into the sea in 1972, killing 37 passengers, was acquitted by an Athens court of manslaughter other charges against

Patrolos Thomadakis Olympic Airways, was a manslaughter by negli causing injury to 16 passengers, but not violat of violating civil aviation laws. He denied the ch plane fell into the sea 200 miles offshore at th a fight from Corfu to

HIGHLAND QUEEN

scotch supreme

fine and rare mature scotch whisky

Imported and Bottled in Scotland by Macdonald & Co. Ltd., Glasgow, Scotland

صبراً من الامم

Government Officials

g Says as Kissinger Aide
Asked FBI Surveillance

By John M. Crewdson

INGTON, Sept. 29 (NYT).—Alexander Haig Jr., while on his way to Henry Kissinger, asked the FBI to place under surveillance some of the government officials who became targets of several wiretapping procedures according to Senate testimony yesterday.

ades of War
barrass the
Air Force

ANGELES, Sept. 29 (AP).—The Air Force redeveloped a new camouflage for its fighters at a Air Force Base near and then discovered had duplicated the used by the Luftwaffe in World War II.

Ford
Surgery
Cancer

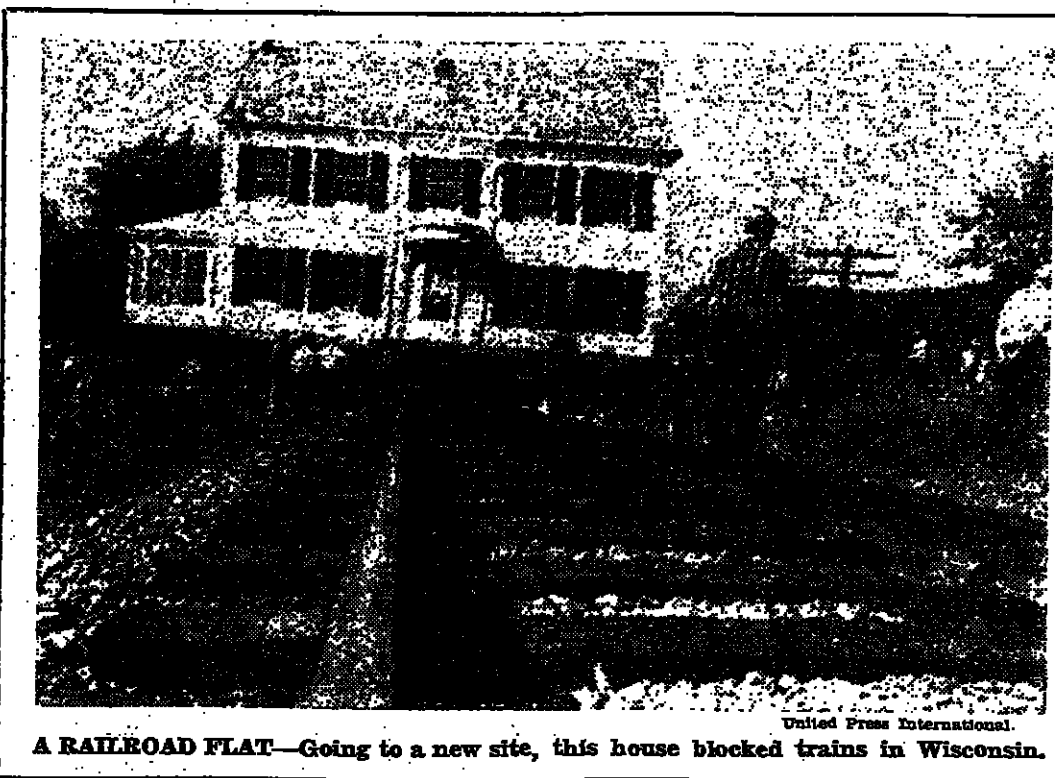
(Continued from Page 1)
surgery can help Mrs. Ford over the psychological that often accompany of a breast.

regaining her strength, Mrs. Ford said, Mrs. Ford can live a normal life.

is Poll Backs
oning of Gas

ilding of Ford Swimming Pool
anned Soon, Financed by Gifts

ASHINGTON, Sept. 29 (AP).—Construction of a new House swimming pool is scheduled to start in October so it can be completed for President Ford by the end of the year.



A RAILROAD FLAT—Going to a new site, this house blocked trains in Wisconsin.

Wallace Says Doctors Approve Candidacy

By Jack Nelson

MONTGOMERY, Ala., Sept. 29.—Alabama Gov. George Wallace said Friday that doctors have assured him he is physically able to campaign for the presidency and serve in that office.

By a Gallup poll showing him as the leading contender for the Democratic nomination in 1976, the partly paralyzed governor dismissed other contenders as "old faces from Washington."

President Ford would have to solve inflation and other problems before he would have a chance to be elected, Gov. Wallace said. The governor made it clear he considered these problems "insurmountable" in Mr. Ford's remaining term of office.

Although Gov. Wallace has continued to maintain a national campaign apparatus, he insisted he has still not made up his mind whether to run in 1976. He said he probably would announce his decision in early 1975.

Gov. Wallace, who is confined to a wheelchair, was interviewed before departing on a party fund-raising tour.

"Can't you see I'm strong physically?" he said, flexing his left arm and displaying a bulging bicep, the result of weightlifting and other physical therapy.

Gov. Wallace has been paralyzed from the waist down since April, 1972, when he was shot during a presidential campaign rally in Maryland. For months afterward there was doubt that he would ever regain the health and strength needed to remain in politics. He has undergone several operations.

He looked robust on Friday, although he said he would have had better coloring if he had not had to remain indoors for several days while recovering from a mild fever which resulted from recent minor surgery.

"The only medicine I took this morning was vitamin E and vitamin C and that isn't even medicine," he said, laughing.

"What is it that I can't do that requires you to have a head and shoulders?"

"Now I don't compare myself with Roosevelt, but Roosevelt didn't walk a day in his life while he was President."

Results of Poll

He held up a news clipping of a Gallup poll showing that with Sen. Edward Kennedy's withdrawal from contention, Gov. Wallace leads his nearest rival, Sen. George McGovern, by 27 percent to 17 percent.

"Look at that," he said, flicking his finger at an ashtray, "even in the North I'm out front (31 percent to Sen. Edmund Muskie's 19 percent)."

Gov. Wallace said that he does a lot of work from his bed every morning, running his politics and the state government by telephone. In the afternoon he goes to his office for a few hours, but he minimized the importance of being there, saying it is mostly for ceremonial functions.

once showed, but he said that because of television and because he is so well known, such vigorous campaigning no longer is necessary.

Gov. Wallace called inflation and the economy the No. 1 political issue and the main one threatening Mr. Ford's chances of election.

White House Directs Colson
To Seek Pardon in Usual Way

By Don Irwin

WASHINGTON, Sept. 29.—The White House has returned an appeal for clemency for imprisoned Watergate figure Charles Colson with the advice that President Ford has decided that such requests must be processed through the Justice Department.

The policy was laid down in a letter from the President's counsel, Philip Buchen, to Charles Morin, attorney for Colson, a former special counsel to former President Richard Nixon. Colson is serving a one-year to three-year term for obstruction of justice.

Mr. Buchen's letter was in response to a clemency petition that Mr. Morin transmitted to the President eight days after Mr. Ford's decision Sept. 8 to extend an unconditional pardon to Mr. Nixon. The White House press office said Friday that it was the first and, so far, only request for presidential clemency received on behalf of a convicted Watergate figure.

Inaccuracy Reported

The press office made Mr. Buchen's letter public Friday as part of a statement admitting an earlier inaccuracy in comments by Deputy Press Secretary John Hushen. Mr. Hushen said Thursday that Mr. Buchen had referred to Colson's request on behalf of Colson to the Justice Department as a pardon attorney Lawrence Taylor. The comment left some with the impression that the petition had been transmitted to the Justice Department under White House auspices.

The press office statement said that it "assumed Mr. Buchen was referring the matter to the Justice Department." Actually, it said, the request was returned to Mr. Morin so he could "make whatever changes he believed were necessary if he planned to contact the pardon attorney."

Mr. Buchen's letter acknowledged receipt of Mr. Morin's request and stated: "The President has decided that all applications for executive clemency should be submitted through the appropriate procedures of the Department of Justice. You might want to communicate directly with that department."

An assistant in Mr. Taylor's office said Friday that no petition on Colson's behalf had been received from Mr. Morin or anyone else. Mr. Morin could not be reached for comment.

Mr. Hushen, former chief press officer for the Justice Department, told a questioner that he had assumed the petition had been forwarded to the department after Mr. Buchen had told him without amplification that it

3 Bank Robbers in Reno Take
A Record \$1.04 Million in Cash

RENO, Nev., Sept. 29 (AP).—Three bandits wearing Halloween masks staged the largest recorded bank robbery in U.S. history Friday when they robbed a bank here of about \$1.04 million in cash, the FBI said yesterday. The men escaped into a crowd watching a parade along Reno's casino strip.

An FBI spokesman in Washington said the robbery surpassed the previous record of \$700,000 taken in a Las Vegas bank hold-up 2 1/2 years ago. Bank examiners said the exact amount of the Reno robbery will not be known until an audit is conducted tomorrow.

Police investigating the robbery were met by parade-goers who dined outside the First National Bank of Nevada and heckled officers as they moved in and out of the brick building.

"These guys were professional; they knew exactly what they were doing," police detective Frank Morgan said of the robbers.

"You know, people have seen about enough of the President cooking his breakfast," Gov. Wallace said. "They want to know what he's going to do about inflation. And they don't care so much about him trying to be the common man. They might want a president who's a little uncommon."

Schmidt Reminds
Russia of Bonn's
Ties With Berlin

BERLIN, Sept. 29 (AP).—Chancellor Helmut Schmidt reminded the Soviet Union today that relations with West Germany depend on the Kremlin's attitude toward West Berlin.

"Let me quote Willy Brandt," Mr. Schmidt told a congress of the Social Democratic party. "Relations between the Federal Republic of Germany and the Soviet Union cannot be better than the situation in Berlin."

Mr. Schmidt said he fully endorsed his predecessor's policies of better relations with East Germany, including East Germany, which surrounds West Berlin.

Mr. Schmidt's visit to Berlin for a major address was seen as an endorsement of Bonn's ties to the isolated city. He also spoke out against East Germany's decision Friday to do away with a referendum to itself as "a Socialist state of the German nation" seeking eventual reunification.

"One cannot with a stroke of the pen on a piece of paper dissolve centuries of German history and culture," Mr. Schmidt said. His audience responded with sustained applause.

600 Have Sought
Amnesty in U.S.

CAMP ATTERBURY, Ind., Sept. 29 (UPI).—More than 600 military deserters passed through the gates of this base during the first week of processing in President Ford's conditional amnesty program.

Officials said yesterday that 431 of the deserters have completed the paper work and have been discharged from the service, while 178 others are still being processed.

Most of those processed early in the week were already in custody. Most of those now reporting to the base had called various military information centers around the nation to establish their status in the clemency program.

France Selling
More Aircraft

PARIS, Sept. 29 (Reuters).—Export orders for French military aircraft and other aerospace equipment during the first five months of this year netted 4.5 billion francs (\$900 million), according to official figures published Friday. Export orders for all of 1973 totaled a record \$1.09 billion.

Joan Dours, a representative of the French Aerospace Federation, said turnover had increased by 68 percent in the last 10 years.

Last year's largest market was for Dassault's Mirage-3 and Mirage-5 jet aircraft, with 38 going to Saudi Arabia, 9 to Peru and 17 to Zaire. Mr. Dours said The Dassault company, to date, has sold 1,500 Mirages to more than 16 countries.

Bull Hurts 23 in Spain

GUADALAJARA, Spain, Sept. 29 (AP).—Twenty-three bullfight spectators were slightly injured here Friday when a bull jumped over the fence and landed among them, authorities said.

The bull was shot to death by a Civil Guardsman.

Mrs. Gandhi Drops in Poll

India Reportedly Has Asked
Russians to Provide Food Aid

By Bernard Weinraub

NEW DELHI, Sept. 29 (NYT).—India has made an emergency appeal to the Soviet Union for food, reliable sources said yesterday.

They said that India had requested from two million to four million tons of food to assist this nation, now suffering severe wheat and rice shortages, and a severe drought in several northern states that threatens to leave millions hungry in the next few months.

Meanwhile, a newspaper poll released yesterday found that Prime Minister Indira Gandhi's popularity has plunged, largely because of the economic crisis.

"Unique Unpopularity"

"The last three months are unique in the degree of unpopularity which the central government may be said to have acquired," said E.P.W. de Costa, director of the Indian Institute of Public Opinion. "There never was a time when the Prime Minister came under such adverse scrutiny."

Diplomats here said that the request for Russian help was made during two separate visits to Moscow recently by Foreign Minister Swaran Singh and Durga Prasad Dhar, the planning minister. The Soviet Union gave two million tons of food to India last year.

A senior diplomat said, however, that there is a bit of a shadow now over Russia's relations with India. The Russians are irritated about the atomic blast. They are irritated about Sikkim. They see India as a very significant country and they value India far more than most Western countries now.

The diplomat was referring to India's surprise underground nuclear blast on May 18, and Mrs. Gandhi's decision to place Sikkim, the Himalayan protectorate, under New Delhi's sovereignty.

India is seeking food assistance throughout the world but is meeting some difficulty. One of the reasons for this is the world food shortage; another reason is India's own delicate relations with the two Western countries, the United States and Canada, that could most assist this nation of 580 million.

The United States expressed its willingness to send food to India, on concessional terms, but Indian officials in Washington have backed away. They have not made it clear whether India actually wanted such help.

Some Indian officials, the resumption of American food aid would be a blow to India's pride and a politically touchy problem.

During the 1950s and 1960s, the United States poured into India more than 65 million tons of wheat, rice, coarse grains and cotton. Total aid reached more than \$10 billion.

But Indian officials have said that the aid was designed to

A GOP Senator
Facing Defeat,
Criticizes Ford

WASHINGTON, Sept. 29 (AP).—Sen. Robert Dole, R-Kan., who is fighting an uphill battle for re-election, today laid a large share of the blame on President Ford for his underdog status in the polls.

"I think so," he replied when asked on the television program "Face the Nation" whether Mr. Ford had become an issue in the campaign. Polls show his opponent, Democrat Rep. William Roy, far ahead in the traditionally Republican state.

Sen. Dole said Kansas Republicans had been encouraged when Mr. Ford first took office, but "along came the pardon for former President Richard Nixon and amnesty. I really don't need any more help of that kind before November," he said.

Sen. Dole said plans were made shortly after Mr. Ford became President for appearances in Kansas. But now, Sen. Dole said, "whether he comes to Kansas is a decision that hasn't been made."

Sen. Dole is a former chairman of the Republican National Committee. He had been recommended for the post by Mr. Nixon.

2 U.K. Papers Up Price

LONDON, Sept. 29 (UPI).—The Times and Guardian newspapers Friday announced a 33 per cent boost in their newsstand prices effective tomorrow. Each will cost 8 pence. Three other newspapers announced similar increases last week.

Publish Your
Book in 90 Days

Wanted: book manuscripts on all subjects. Expert editing, design, manufacture and marketing. All under one roof. Completed books in 90 days. Low trade-even. Two FREE books and literature free details, costs, success stories. Write or phone Dept. 27.

EXPOSITION PRESS, INC.
Tulsa, N.Y. 11753 516 997-8650

Where next?

CGN

DUS

FRA

HAJ

HAM

LON

AMM

BEY

DXB

JRS

MCT

QCA

RUH

THR

PLUS

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

InterContinental Hotels

Policy Without Consensus

President Ford's economic summit achieved what might have been expected in the present intellectual disarray of the economists: the expression of a wide variety of views with a minimum of agreement. And Mr. Ford, who bore himself manfully in the confusion of ideas, despite the grim distraction of his wife's surgery, has announced a new economic policy board, broadly representative, to consolidate the thinking on inflation of the administration and to play a large role in the creation of "a program of action which will help bring balance and vitality to our economy." But the philosophy on which such a program will be based is still extremely nebulous. Somehow, a policy must be evolved without previous consensus.

This, too, was to be expected, given the vast scope of unprecedented factors that have contributed to global inflation. The President and the secretary of state have shown initiative in the international aspects of this problem, even though this has been confined largely to emphasizing the world's ills, and proposing consultations in the sick-room rather than proposing specific cures. But the President has a very direct responsibility for providing leadership in the way the United States meets this challenge—in preserving the national health in the face of a global epidemic. This is not only his primary duty as President, but it is vital to the success of any international effort to control the plague, since much of the will and the medicinal aids for that purpose must come from America.

Mr. Ford, in closing the economic summit, laid great stress, and rightly, on the spirit with which the American people meet this spreading emergency. Each citizen, each

family, each community, naturally has its own responsibility under the circumstances. Each can play its part to "save energy and fight inflation." The saving of energy can be a positive act, expressed by negatives, by turning off lights and joining car pools, say. But what about the fight against inflation? Can that be done in the same manner, by the citizenry at large—by buying gold and stuffing it in the mattress, by withholding purchases, by merely trimming down a standard of living—without counter-productive effects upon the national economy?

President Ford's appointment of the columnist Sylvia Porter to help get the "voluntary citizens' program organized and under way" may give guidance in this complex field. But in the meanwhile, such indications of forthcoming government policy as Mr. Ford has provided (reducing the budget, principally) would seem to give a negative cast to his approach. To be sure, the President said that money borrowed by the government is money not available to the citizen, with the implication that what the government does not spend the citizen should. But something more precise will have to emerge from the White House before Americans—and those in the rest of the world who look to the United States for light and leadership—can rally that spirit which the President praised and summoned to action.

To spend or not to spend, what to buy and what to allow to remain in the fields or the factories, is very important these days. It must be taken for granted that the administration policy will not be supported in advance by a real consensus. But that consensus must be rallied by the policy, if it is to succeed, and to do that it will have to make hard sense.

The Price of Oil

President Ford's warning that the enormous increase in oil prices imposed by the oil cartel can only "distort the world economy, run the risk of worldwide depression and threaten the breakdown of world order and safety" has drawn a measured response from the President of Venezuela, Carlos Andres Perez. His arguments in support of the policies of the Organization of Petroleum Exporting Countries deserve factual reply.

Mr. Perez contends that the oil producers are simply making up for past price inequities. He says that "before the energy crisis and before petroleum prices reached the levels at which they stand today, the raw materials produced by our countries were purchased year after year at prices which were never in proportion to or in equilibrium with the prices of the manufactured goods which our countries require for their development. . . . This statement is correct as far as it goes, but it stops short of acknowledging that the world export price of crude oil has shot up astronomically higher than other world market prices.

Figures computed by the Conference Board on the basis of United Nations and International Monetary Fund data show that since 1963 the world export price of oil has climbed by 638 per cent—compared to about 290 per cent for nonferrous metals, 230 per cent for food, and 175 per cent for manufactures. Although the OPEC countries did suffer a loss in their terms of trade during the 1960s, the latest oil price hikes have far outstripped even the recent inflation in metals, food and manufactures.

It is that soaring of petroleum prices—and the piling up of scores of billions of dollars annually in liquid reserves by the oil-exporting countries—that is now threatening the world monetary system with breakdown.

Mr. Perez accuses the developed countries of enforcing a policy of "outrageously low prices for our raw materials as a weapon of economic oppression." How accurate is the contention that world economic development has been achieved by the economic oppres-

sion of Venezuela or other OPEC members? The latest issue of the World Bank Atlas shows that, from 1960 through 1971, Venezuela had an annual rate of growth in per capita gross national product of 2.3 per cent at a time when its population was growing by 3.4 per cent annually. It is difficult to see how an aggregate growth rate in gross national product of 5.7 per cent a year can be termed "economic oppression."

Nor did other oil-producing states exactly suffer from stagnation: the per capita growth rates in GNP of some other members of OPEC from 1960 to 1971 were as follows: Saudi Arabia, 8.1 per cent; Iran, 6.5 per cent; United Arab Emirates, 20.6 per cent. Those rates of growth preceded the steep climb in oil prices, which did not begin until 1971.

To be sure, many of the oil-producing states started from a low-income starting point—but are now becoming affluent. It is worth noting that the oil-exporting cartel is inflicting serious harm not only on the developed countries but even greater damage on the other, much poorer, developing countries that lack oil. For instance, Venezuela, with a per capita GNP of \$1,240 in 1972, had triple or more the per capita income of such other Latin American countries as Bolivia, Colombia, El Salvador, Guyana, Honduras and Paraguay—not to mention dozens of countries in Asia and Africa, which are facing starvation and a choking-off of growth as a result of the skyrocketing price of oil.

One can only applaud Mr. Perez's statement of Venezuela's willingness to work in an international forum to establish a balanced relationship between the raw materials produced by the developing countries and the manufactured goods and technology produced by the developed countries. But such balance, on any reasonable calculation of a sustainable flow of funds in the world, is going to require a marked reduction in the price of oil, which has now soared out of sight of other world export prices and is both aggravating the inflationary spiral and threatening the world with depression.

THE NEW YORK TIMES.

International Opinion

Common Market Crisis

In mid-September, after the Elysée dinner-party of the Nine, there were some grounds for optimism about Europe. By the 25th, with the German disavowal of the provisionally agreed agricultural compromise, everything was back to a normal state of crisis.

Up to now the Germans have acted as exemplary Europeans, and their latest action has caused many to wonder whether their policy is becoming more nationalistic. (Chancellor Helmut Schmidt's European policy does indeed have some very down-to-earth features and national interests are certainly admitted to play an overriding part more openly than they were in the past.

In the International Edition

Seventy-Five Years Ago

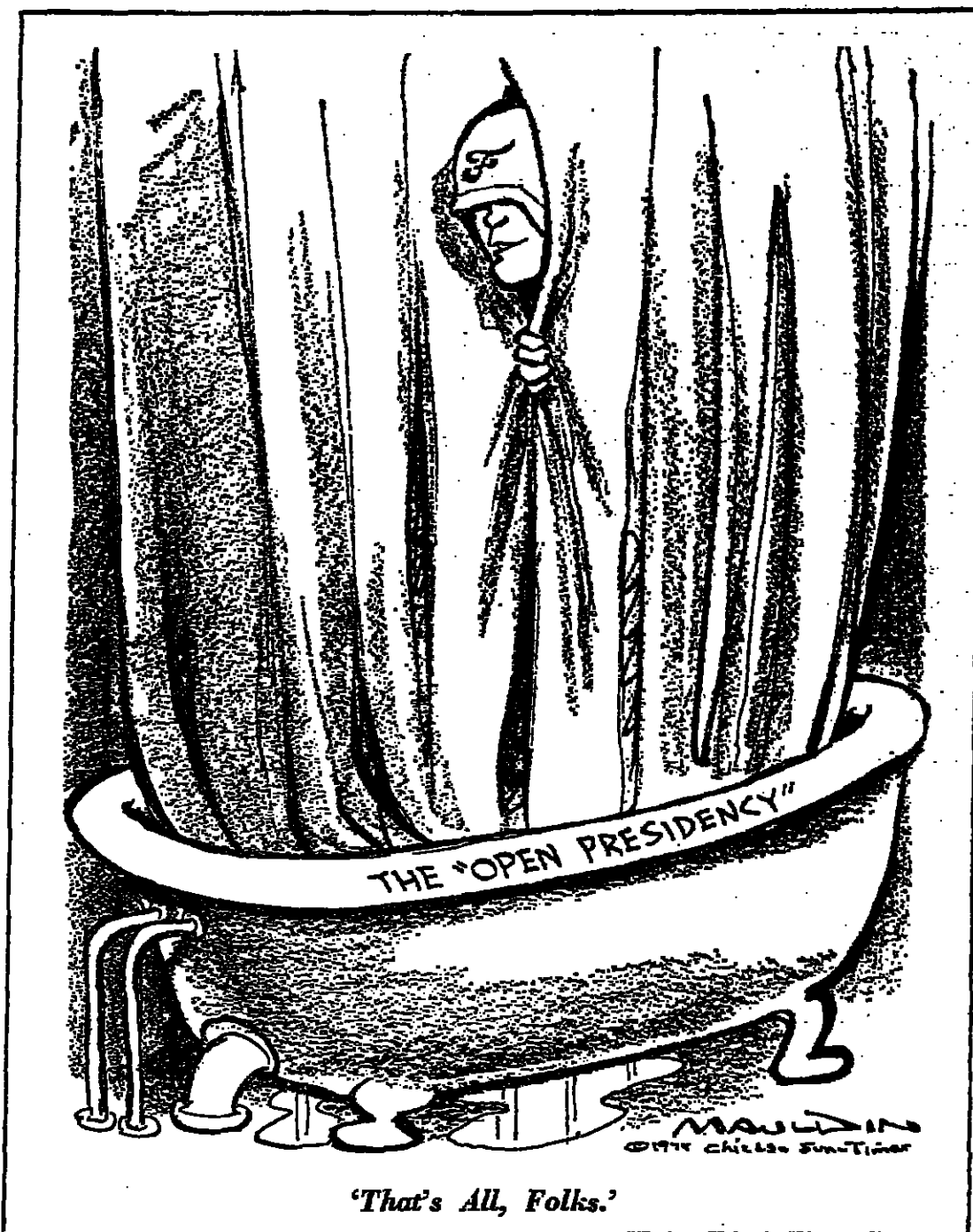
September 30, 1899

NEW YORK—Every disinterested onlooker of the trouble between Great Britain and the Transvaal, and every lover of peace, must ardently wish, if not hope, that an armed conflict may yet be averted. War is always to be deprecated, but a war between Britain and Boer in South Africa is especially to be deplored. For one of the dangers, and unknown, of a war between the two would be the possible terrible consequences that the war would have on the development and prosperity of South Africa.

Fifty Years Ago

September 30, 1924

NEW YORK—The Washington Senators clinched the American League pennant today when they defeated the Boston Red Sox by a score of 4-2. By virtue of this victory Washington earned the right to oppose the New York Giants in the World Series, which will begin in Washington next Saturday. The Giants, under John J. McGraw, won the pennant for the fourth consecutive time, while veteran pitcher Walter Johnson can finally hurl in a World Series after 18 years faithful service to the Washington team.



"That's All, Folks."

The State Department Summit

By James Reston

WASHINGTON—Over the weekend, the foreign and finance ministers of the United States, Britain, West Germany, France and Japan were meeting privately at the State Department to discuss the world economic crisis. This is the first indication that the major industrial nations have finally recognized that they must try to agree on common policies to deal with the common threat of worldwide inflation, soaring prices of oil and other raw materials, and the consequent danger of economic depression and financial, social and political anarchy.

This was a limited meeting with limited purposes, with some awkward handicaps. Canada, Italy, the Scandinavian countries and many others were left out, but it was at least a beginning by the big boys toward cooperation. France was in on the discussions this time along with Japan, so that the major industrial nations of America, Europe and Asia were finally talking together.

Earlier this year, they were dealing with this critical problem separately, and fussing with one another about how to analyze what everybody agreed was a worldwide crisis. France was suspicious of American "domination." Europe didn't want to negotiate earlier this year with America and Japan at the same table, but in the last few months there has been a major change about procedures, if not about policy.

Criticism

President Ford and Secretary of State Kissinger have been criticized in the last few days for over-dramatizing the problem and assuming to threaten the oil-producing states with military action, if the latter did not roll back the prices that were disrupting the economies of the industrial and underdeveloped states alike.

"Sovereign nations," Ford said in Michigan the other day, "cannot allow their policies to be dictated, or their fate decided, by artificial rigging and distortion of world commodity prices."

"Throughout history," he added, "nations have gone to war over natural advantages such as water, food, or convenient passages on land or sea." And now, he insisted, "sovereign" oil prices set by the oil-producing nations and their cartel were threatening "the breakdown of world order and safety."

Kissinger was more subtle, but Ford's remarks were taken in the Arab world as a military threat, and this troubled the Japanese and the Europeans, for the threat did not seem to be credible. It violated the first rule of diplomacy, namely that nations should never threaten to do what they are not prepared to do, or suggest policies their allies could not afford to support.

Dangers

Nevertheless, the Ford-Kissinger speeches did dramatize the dangers, and what was largely forgotten, insisted that cooperation by the industrial nations with one another and with the oil-producing nations was imperative if the world was not to lurch down into political, social, and financial chaos.

What the President and the secretary of state were saying, not too subtly, was that a continuation of soaring oil prices would shatter the world as we know it, that it would lead to unemployment and human misery all over the world, that democracy might not be able to sur-

vive inflation at the present rate, might even lead to Communist or other authoritarian governments in many parts of what now remains of the free world.

The facts before the ministers in Washington were not in dispute. These facts demonstrated the strain on the industrial nations by the rise in oil prices, and also the dramatic swing of monetary reserves to the producers of oil. Here are the basic facts and projections of the money flowing out of the industrial nations and to the oil producers as the result of the rising price of fuel.

Payments by (in billions of dollars)		
Year	United States	Other major
1972	4.9 billion	14.0 billion
1973	8.5	21.1
1974	35.2	74.8
1975	27.0	81.0
1976	30.3	90.7
1980	43.3	129.7
1985	64.0	182.0

The movement of revenues into the oil-producing (OPEC) countries over this same period is estimated by the U.S. government and the World Bank as follows:

Oil revenues: Dollar reserves of OPEC countries		
Year	1972	1973
1972	18.9 billion	29.6
1973	29.6	26.0 billion
1974	100.0	—
1975	108.0	170.0
1976	121.0	—
1980	173.0	653.0
1985	266.0	1,208.0

On the basis of these staggering figures, the primary questions before the ministers at the State Department were how the oil-consuming nations were going to meet these bills, and what the oil-producing countries were going to do with this vast and growing accumulation of petrodollars.

The trend in the industrial world is toward more unemployment and social and political disruption. In the underdeveloped world, particularly in Africa and the Indian subcontinent, the trend is toward hunger, malnutrition and death. In the oil-producing countries, the trend is toward riches almost beyond absorption and control. In the world at large, the trend is obviously toward revolutionary change.

No wonder, then, that the State Department was surrounded this weekend with unusual secrecy and

security measures. The major nations have just begun to think together about the alarming consequences of inflation. They are all diverted by domestic, economic and political crises, with weak governments, most of them facing elections, but at least they are now recognizing that they are faced by problems beyond their national control, and have to find international remedies for what is obviously a worldwide danger.

President at the Crossroads

By Rowland Evans and Robert Novak

WASHINGTON.—When President Ford quietly slipped out of the White House recently for a limousine ride up Pennsylvania Avenue to breakfast with old congressional cronies, his performance showed both why his young presidency is in crisis and why it may yet work itself out of trouble.

Mr. Ford went to the Capitol Hill Club for the weekly meeting of the Old Guard and the Marching Society, the elitist House Republican group to which the new President belonged for 25 years. Old friends were troubled by his vague, rambling answers to their questions. Although he was one of the party's budget experts in the house, Mr. Ford labored terribly in replying to questions about spending. "It didn't seem like the same old Jerry," a C&M member confided.

But the fact he was there at all is significant. Mr. Ford was treated no differently than other guests at C&M breakfasts—government officials, journalists, academicians; he was given ten minutes to speak and then was subjected to questions. What more, such give-and-take sessions are common on the President's schedule.

Thus, the Capitol Hill breakfast pointed to where Mr. Ford stands after seven weeks as president. His unsatisfactory answers showed he simply has not taken hold of the presidency and its problems. But his presence at the breakfast underscored that he is not now and hopefully never will be the isolated president that Richard Nixon was from the beginning. Because Mr. Ford talks to many people and actu-

The American Dream Is Not an Export Item

By William V. Shannon

WASHINGTON—For a quarter-century, the United States has been trying to do good, encourage political liberty, and promote social justice in the Third World. But in Latin America, where it has traditionally been a friend and protector, and in Asia, where it has made the most painful sacrifices of its young men and its wealth, its relationships have mostly proved to be a recurring source of sorrow, waste and tragedy. Ironically, we get on best today with the black African countries where, except for a brief flurry of enthusiasm in the Kennedy years, American relations have been marked mostly by indifference and mutual incomprehension.

We have been seeking in the Third World to exercise power beyond our capacity to devise political instruments that could make wise use of our power. In trying to do good, we have been living beyond our moral resources and have fallen into hypocrisy and self-righteousness. We have tried to export our idea of democracy and of the economically abundant good life, and have discovered this dream is not for export.

No morally sensitive people could be indifferent to the Third World's claims of human comradeship. A newspaper article about the misery of Calcutta or a photograph of the starving children in sub-Saharan Africa is enough to evoke anguish. We are all members of the human community and these are our brothers and sisters though we may never learn their names. Their plight impels us to action in the sphere of private charity or in the political realm as citizens urging our government to adopt constructive policies on food and foreign aid.

Power in Dispute

But it is not individual or national humanitarianism that is in dispute. It is the use of military, economic and political power—power that is immense but that still has limits. Events have shown that American military power is almost irrelevant in the Third World. After the Korean war and then the long ordeal in Vietnam, no American government is likely to go to war again on the mainland of Asia or in Latin America.

But given the human misery and uneven economic development of much of Latin America, and given the fragility of such political freedoms and the liberal middle-class institutions as were

developing there, more intervention seemed starkly adequate. Thus through assistance and the very anti-guerrilla army team were intervening with its motives.

But benevolence, in and hard work have not been enough. Chile drew the problem. The CIA was to prevent a takeover of power by Allende and the radical supporting him. Having less than two-fifths of in a three-way race, the mandate for the Soviet Union was trying to effect. The lower house must ensure him for the country's constitution. The opposition press, ed businessmen with plant seizures, organically into para-military and were conspiring to power.

But by intervening complicated situation, implicated the United States in a military dictatorship that torture and has destroyed very freedoms and liberties it was trying to play God with of the Chilean people a fiasco. Only the Chile can save Chile's freedom.

Niebuhr War

The theologian Reinhold Niebuhr warned us at the of the postwar era in these secular missions first began: "No individual, even the most good enough to its purposes in history."

We disregarded the With our enthusiasm, habits, and our crisis we tried to advance ideals and our politics and have rarely succeeded. The Green Berets to clandestine activities (rings proudly wading Cam Rant Bay, America been imitating in life paradoxes of Graham characters in fiction.

If we are not to a venturist excesses by unwise isolationist will need new habits and skepticism. Most need a clearer perception history's long unaided not responsible for its errors.

ally listens to what they say, he knows he is in trouble.

Moreover, the arrival from Brussels last Thursday of Donald Rumsfeld to replace Gen. Alexander Haig as top White House staffer means Mr. Ford is at a crossroads. How Rumsfeld fares in curing the Ford presidency's present problems may well set its future course.

What both the President and Rumsfeld basically must seek is the spirit lost Sept. 8 when Mr. Ford issued his politically disastrous Nixon pardon. That requires an end to the present chaos on the White House staff and an end to the succession of blunders by Mr. Ford. Since both the chaos and blunders can be traced to Mr. Ford's refusal to cleanly cut the umbilical cord with the Nixon past, Rumsfeld's immediate task is obvious.

Although Mr. Ford privately bemoans no illusions about the disgrace of his predecessor, he publicly displays only reverence for Nixon—perhaps out of excessive personal loyalty. The President's mind-set is reflected by those telephone calls to San Clemente and his reference to Nixon as "the President" five times in his Sept. 16 press conference.

The most politically damaging product of that mind-set was the premature Nixon pardon, but it also has produced rubber-stamping 111-advised ambassadorial nominations inherited from Nixon and retaining Nixon White House staffers long beyond their time. So many Nixon aides remain as the walking dead, drawing pay but doing no work, that the White House today is a political charnel house.

David Gergen, head of the Nixon speechwriting team, was replaced a month ago by an old Ford associate (Paul Tish, longtime staffer on the Republican congressional campaign committee). Yet Gergen stays on the

job doing nothing. Sk of his speechwriters Father John McLa supposedly was fired in early August.

What may be worse holdovers doing not ever, is Nixon holdover great deal—as in the Domestic Council staff Rep. Albert Quile of felt he had convinced ident not to veto anti-poverty program. Domestic Council staffer us to report that he had gotten to Mr. Ford's straightened after Quile's advice to veto the bill came from Nixon and reflected Nixon philosophy.

Blunder Pr

Nightmarish White operations clearly do Mr. Ford from blun even old friends admit to make in the shes advice, a team was on, advice might we ed him from self-dea as appointing N cal operative Peter J ambassador to Spain have prevented his se answers to press confs along about Chile.

Two encouraging st week raised hope. One rival of Rumsfeld, too confident. The other a meeting politicians ar to what they say, th his presidency can b

Critique Western Press

Yugoslavia and Russia Decide
Avoid Public Rift Over Plot

By Malcolm W. Browne

BRAD, Sept. 29 (NYT).—Charges by Yugoslavia of Soviet Union recently a subversive plot by local dissidents have appeared in their public course and both Moscow and Belgrade a "sensationalist" Western press for the Soviet press agency Tass.

A Air Raid
U.K. Post
es Astray

PAST, Sept. 29 (Reuters).—men were detained by in the Irish Republic to an apparent attempt to a British Army post from a light aircraft, security here reported.

plane, a small, single-engine, was commandeered from the Dundalk Club—just across the border in the Irish Republic—by asked guerrillas last night. of them forced a flying tor, Ian Swales, to fly and four explosive canisters the border.

about the same time, 20 large-jacketed members of Irish Republican Army's 3rd Wing were shooting Irish Army post at Cross, in Ulster, near the border.

Attack on Ground

sources here said the air was apparently mounted with the ground attack which mortars and auto-weapons were used.

the makeshift bomber did the target. The one bomb out fell in open country—id was blown up by British experts today.

quarters in Belfast ops at an observation post cylinder-shaped object fell a light plane which then took into the republic.

of 23 mortar bombs fired post, which is deep in an area where about 30 British have been killed in the air years, smashed through and damaged a storehouse. troops returned the fire. casualties were reported there.

plane made a safe emergency landing in a field at Rath, on the republican side border, after Mr. Swales of the two guerrillas had running out of fuel.

bassy Urges
to Fly More
to Honduras

JICGALPA, Honduras, Sept. 29 (Reuters).—The U.S. here has asked Washington for a further 850 tons of hurricane victims.

ssy officials said Ambassador Sanchez yesterday protein concentrate, and milk, to be delivered to, to feed an estimated persons in refugee camps survivors of others in isolation.

51 aircraft had arrived country by this morning and medical supplies. rest countries to send aid. Honduras and France, which 14-man medical team.

relief flights are now the northern commercial San Pedro Sula, center of saster area, where the number of refugees have better.

er Is Refloated

LA ARENAS, Chile, Sept. 29.—Salvage crews refloated Dutch ship super-Metula, 47 days after it found in the Strait of with 156,000 tons of it aboard, a Chilean naval ten said.

ally Findlay
leries International

—Chicago — Palm Beach — Beverly Hills

exhibition.

**Louis
abien**

menade a St-Tropez"

sept. 20 - oct. 15

clusive representative
30 contemporary artists
JARI - GANTHER - KLUGE
J-HENRY - SEHRE - AUGÉ

Impressionists,
post-impressionists

v. Malignon - Paris 8°
Tel. 228.70.74
thru Sat. 10 a.m. - 7 p.m.

fly Findlay George V
LE PHO

sept. 11 - sept. 30
George V - 225.35.30
v. George V - Paris 8°
ally - 10 a.m. - 8 p.m.
nday - 7 p.m. - 9 p.m.

described Western reports as "heinous invention" and asserted that nothing could spoil friendly Soviet-Yugoslav relations.

In more restrained terms, the Yugoslav Communist party weekly, *Kommunist*, asserted that foreign press reports had distorted and exaggerated the significance of the case.

But Belgrade's Communist leaders left many mysteries hanging and gave doubts as to long-term Soviet intentions in the Balkans.

The "Communist plot," as it has come to be known, was first publicly described by President Tito in a speech Sept. 12 in the industrial town of Jesenice.

Wide-Ranging Speech

In the speech, which ranged widely over Yugoslav foreign and domestic policies, the President said that a group of "Communist" had been arrested for plotting to overthrow Yugoslavia's "self-management system" and "to form a new Communist party."

He said that security agents had seized from the "Stalinists" an "enormous amount of material printed abroad" and identified the leader of the group as "some individual who is outside our country."

A Western diplomat said it was understood from high Yugoslav party sources that "the Russians were caught with their hand in the cookie jar."

Since Marshal Tito's speech, only a few details have been disclosed.

Official information is still limited to a statement issued Sept. 20 by the Yugoslav prosecutor's office, which said that at some undetermined time courts in the Montenegro towns of Pec and Titograd had convicted 32 persons "connected with Information Bureau (Cominform) émigrés acting abroad against our country."

The statement identified only two of the defendants, neither of whom was known nationally. It said that the 32 received sentences ranging from 1 to 15 years.

Subsequent disclosures, usually made casually as parts of unrelated articles in the local press have included the information that some alleged conspirators were active members of the Yugoslav Communist party.

Some Western military analysts and diplomats have concluded in the last year, and particularly since the Cyprus crisis developed, that the Soviet Union at some point will seek access to the Mediterranean through Yugoslavia's Adriatic coast.

Intervention Bid

According to this view, the recent Soviet plot, if it existed, was intended to create a Soviet-oriented group in Yugoslavia that eventually could claim to represent the nation as a whole while appealing for Soviet military intervention.

The occasion for such action might arise, it is suggested, in the chaotic conditions and power struggle that might follow the death of President Tito, who is 82.

Such a tactic was used by the Russians in 1968 as a pretext for their military intervention in Czechoslovakia against the increasingly free government of Alexander Dubcek, who was deposed as premier.

Whatever the case here, Belgrade apparently has no intention of disclosing more of the matter than it has done already. The assumption is that at this point the danger is considered past, as if Yugoslavia feels that the Russians have been sufficiently embarrassed to refrain from further attempts.

61 Chileans Given
Jail Terms, Exile
In Anti-Army Plot

SANTIAGO, Sept. 29 (AP).—A military judge has ordered 61 persons jailed or exiled for periods of 200 days to 25 years for participating in an alleged plot against the military that led to the overthrow last September of President Salvador Allende.

All were convicted of attempting to infiltrate the armed forces to implement an alleged "Plan 2," calling for the assassination of military leaders.

Chile's military rulers say this plan prompted the revolt that overthrew Allende's leftist civilian government on Sept. 11, 1973. Allende died during the coup.

Sixty-seven persons — officers and enlisted men of the Chilean Air Force and some civilians — went on trial in April on charges related to the alleged plot. A general and another member of the air force died in prison. Four persons sentenced to death had their sentences reduced to 30 years.

EXPORT WORK

We are a leading French Metal Fabricator located in the Paris Area doing a substantial amount of business with International Engineering Contractors and Chemical Companies.

- To assist in our Export Division, we are looking for a hard-driving young man.
- Perfect knowledge of English is a must and a working knowledge of French is required.
- A technical background would be helpful, but is not essential.

Please reply in confidence with resume to:
B.S.I. Service du Personnel, Réf. B.I.
25 Quai Marcel-Bayer, 94201-IVRY-SEUR-SEINE (France).



HOSTAGE—American diplomat Barbara Hutchison under guard in Santo Domingo.

6 Hostages Held 3d Day in Santo Domingo

SANTO DOMINGO, Dominican Republic, Sept. 29 (AP).—An unknown number of terrorists holed up in the Venezuelan Consulate continued today to hold six hostages—including a woman official of the U.S. Embassy—whom they kidnapped Friday.

Negotiations appeared to be stalled on the terrorists' demands for \$1 million and the release from Dominican Republic jails of 33 political prisoners.

But there was no sign that the armed kidnappers might implement their threat to kill their captives.

As temperatures mounted above 100 degrees Fahrenheit (38.3 C), the kidnappers and their captives received their first food and drink in 24 hours. Sandwiches and bottles of soda were delivered by the Most Rev. Hugo Polanco, the Catholic archbishop, and Salvador Phaluga, secretary of the Dominican newsmen's association.

Archbishop Polanco said that the American woman, Barbara Hutchison, 47, head of the U.S. Information Service's operations in the Dominican Republic, appeared to be in good condition. He said that the terrorists told him that one person had been injured, without specifying whether it was a kidnapper or one of the hostages, among whom was Venezuela's consul-general.

The archbishop and the newsmen's representative said that they had been allowed by the terrorists to enter the Venezuelan Consulate "in a humanitarian capacity," and that they had not presented any offers from the Dominican, U.S. or Venezuelan governments.

Dispute Over Numbers

They said that they delivered 12 sandwiches and 12 bottles of soft drinks, one sandwich and one bottle of soda for each terrorist and each hostage. This report supported statements from the national police that there were six kidnappers and six captives in the building, despite a telephone claim by a terrorist that there were 23 members of his band inside.

The archbishop said that the terrorist group's leader had given him a message telling the Venezuelan chargé d'affaires that "we need medicine and other food, but otherwise everyone is in good health except for the problem of water."

Bottles with messages from the hostages were thrown from the building yesterday and today. Police did not retrieve either of the bottles, apparently fearing gunfire from the two-story stucco consulate, which was surrounded by police.

A Chinese businessman—who was taken hostage while visiting the consulate Friday to seek a Venezuelan visa—escaped yesterday by jumping through the closed window of a washroom. The terrorists released a woman and a 9-year-old girl who were in the building when the take-over began.

The escape reportedly told police that the terrorists had two or three sticks of dynamite.

Utilities Cut Off

The government yesterday cut off the building's electric power and telephone service, then restored it, then cut it again this morning. Because water is fed to the consulate through electric pumps, there is no water without electricity.

Dominican officials refused to comment on negotiations, but there appeared to be little or no bargaining in progress. In addition to Miss Hutchison and

U.S. Ammunition Stolen
BANGKOK, Sept. 29 (AP).—About 71,000 rounds of ammunition were stolen from U.S. storehouses at Ubon Air Base in northeastern Thailand between February and May, a U.S. military spokesman said.

Venezuela's Consul-General Jesus de Gregorio, police said that the hostages included the Venezuelan vice-consul, a Spanish priest and two female Dominican secretaries. A hostage said by telephone yesterday that a Dominican man was among the hostages, but police denied that report.

Led by former journalist Rafael Mendez Vargas, a convicted airline hijacker, the terrorists took over the building about noon Friday after abducting Miss Hutchison from in front of her office.

In addition to the \$1 million

from the U.S. government and the prisoners' release, they were said by Carl Davis, a State Department official who flew in from Washington, to have demanded a means of getting out of the country. There were reports that they wanted a plane to fly to Cuba or Mexico.

President Joaquín Balaguer's government rejected all the demands except safe conduct from the Dominican Republic, which shares with Haiti the Caribbean island of Hispaniola, between Cuba and Puerto Rico.

Argentine Police Break Up
Procession for Slain Leftist

BUENOS AIRES, Sept. 29 (Reuters).—The police used tear gas today to disperse a funeral procession of about 3,000 persons attending rites for assassinated leftist lawyer Silvio Frondizi.

Mr. Frondizi, 67, a brother of former President Arturo Frondizi, was killed on Friday by a gang who kidnapped him from his home and later dumped his body near Buenos Aires Airport.

His son-in-law, Luis Mendiburu, an engineer, was also killed when he tried to stop the kidnapping. An extreme rightist "death squad," calling itself the Argentine Anti-Communist Alliance (AAA), said it was responsible for the killings.

The police stopped today's procession shortly after it left a college near the city center where a wake for the two victims was held. They ordered the mourners to disperse, took over the two hearse and drove them rapidly to the cemetery.

Angered by chants of "mur-

Mexico Holds 13
In Abduction of
Echeverria Kin

GUADALAJARA, Mexico, Sept. 29 (UPI).—Federal agents have captured 13 leftist guerrillas who admitted kidnapping the father-in-law of Mexican President Luis Echeverria last month and abducting a U.S. diplomat last year, Mexican police said.

The 10 men and three women have confessed to abducting 83-year-old José Guadalupe Zuñiga Hernandez at gunpoint on Aug. 28, federal agents said Friday. Mr. Zuñiga was released, unharmed, after 11 days in captivity. No deal was made for his release, authorities said.

All 13 confessed to a number of other kidnappings, including the 1973 abduction in Guadalajara of U.S. Consul General Terrence Leonard, a spokesman for the federal agency said. Mr. Leonard was released after his wife paid \$80,000 in ransom and the Mexican government released 30 political prisoners and flew them to Cuba.



Silvio Frondizi

derers" and the banners of the Montoneros guerrilla movement, the police fired large quantities of tear gas and chased fleeing demonstrators, witnesses said.

The death of Mr. Frondizi and his son-in-law brought to more than 90 the number of persons killed for political reasons in Argentina since the death of President Juan Peron on July 1.

The AAA has claimed responsibility for the assassinations of more than a dozen persons they described as "Marxist traitors" during the last two weeks and threatened the lives of many more, including congressmen, university teachers and show business personalities.

Congress yesterday gave President Isabel Peron the extra powers she had sought to combat extremism. An anti-subversion bill was passed by the Chamber of Deputies after earlier approval by the Senate, despite opposition protests that some of its provisions could be used to curb peaceful opposition.

The legislation provides for prison terms of up to eight years for anyone attempting to change the country's political structure "by means not laid down by the constitution" and restricts press reporting of the activities of illegal groups.

Saigon Loses
Initiative in
Two RegionsCommunist Attacks
Begin to Take Toll

By James M. Markham

SAIGON, Sept. 29 (NYT).—Although a relative lull has settled over the battlefields of South Vietnam, Communist forces appear to have achieved a critical degree of momentum in the northern and southernmost provinces that is profoundly worrying to Saigon commanders.

The Communists have undoubtedly lost the initiative, noted a highly informed Western military observer. "And once the rot sets in, it gets hard to stop. It has a snowballing effect."

The deterioration of Saigon government control is particularly noticeable in the northern provinces of Quang Ngai, Quang Nam, and, recently, Thua Thien; in the populous lower Mekong Delta, incessant Communist attacks on military outposts have seriously eroded government control.

A senior Western analyst argued that "on paper" the Communists gains are not all that great. But he acknowledged that the heavy summer fighting, compounded by American congressional cuts in military assistance, has sharply cut into the morale of South Vietnamese commanders.

Sympathy for Communists

The situation in Quang Ngai, a poor province with a history of sympathy for the Communists, is particularly disquieting to Saigon.

The South Vietnamese 2d Division, not one of the army's best, has lost a series of outposts to the North Vietnamese and Viet Cong throughout the summer. "They've been mauled," a military analyst said.

Saigon's forces are now essentially defending a narrow belt of highway running north and south through the province. In the coastal town of Sa Huynh, which was briefly seized by the Communists at the Jan. 28 ceasefire, soldiers can watch North Vietnamese truck convoys moving on a road parallel to Highway 1.

A similar situation prevails in Quang Nam Province, which has also been the scene of heavy fighting. The 2,400-man 1st Airborne Regiment—perhaps the best in the South Vietnamese Army—is warily picking its way in the direction of Thuan Duc district town, 34 miles southwest of Danang, which fell to the Communists on Aug. 7.

But the paratroopers' progress has been slow. An earlier effort to reclaim lost ground in Duc Duc and Que Son Districts reportedly was not successful.

Thien Ouster Asked

SAIGON, Sept. 29 (AP).—Opposition politicians held a brief rally in downtown Saigon today and called for the overthrow of President Nguyen Van Thieu.

A handful of politicians held the rally at the height of the morning market hour. About 200 persons gathered to hear their speeches.

Uniformed police stood by but did not interfere. However, on several occasions plainclothesmen tried to grab banners denouncing Mr. Thieu, and there were brief scuffles.

Pathet Lao Free 186

VIENTIANE, Laos, Sept. 29 (Reuters).—The pro-Communist Pathet Lao today released a second group of prisoners of war—44 Laotians and 64 Thai volunteers—after an airfield in northeastern Laos.

No prisoners were released by the government, which said that it had none to free.

Göteborg Has a Squawk

GÖTEBORG, Sweden, Sept. 29 (AP).—Road signs directing motorists to the center of the city were changed during the night recently to read Ankaborg, which means Duckburg, where Donald Duck lives. The police said they suspected it was a college prank.

Important Information

We are importers and exporters of equipment, installation and furnishings for the Hotel- Motel- and Leisure-branch.

We are developing, building and bringing into exploitation all projects we are involved in.

We have a parking-hotel system which can be integrated in all kinds of buildings, below and above ground.

Last but not least we produce an automatic door-system, from the smallest doors to the biggest, as for DC 10 and B 747.

We have interesting 99-years lease opportunities for institutional investors.

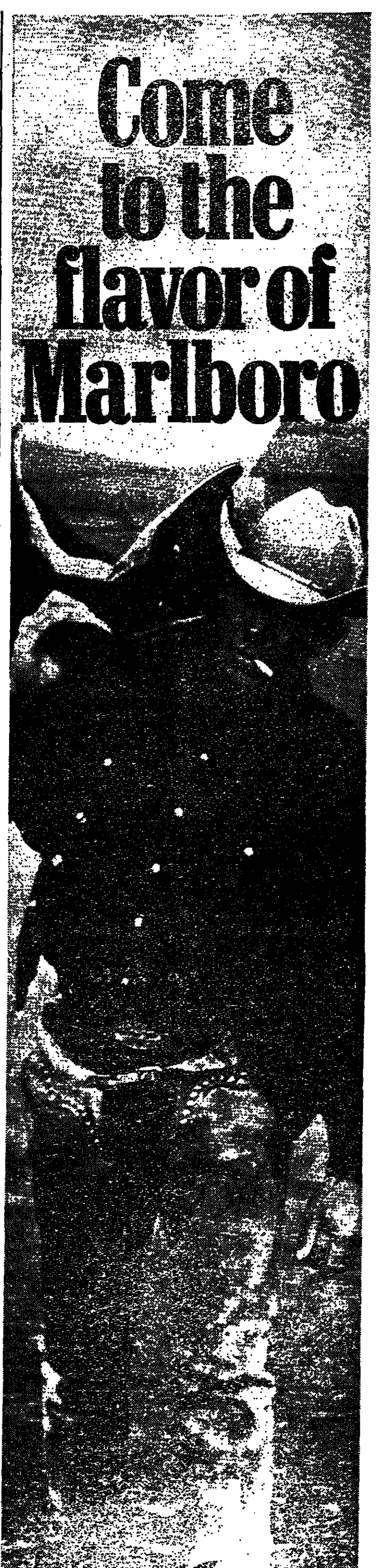
We are situated in the most interesting economy of the Continent and only 7 miles from Frankfurt-Airport.

Should you think this is of interest to you, please make an appointment at your convenience by telephone or telex. We will be only too glad to discuss your and our opportunities.

Technische Handelsgesellschaft
"COSMOSA" AG
6098 Raunheim/Main (Germany)
Frankfurter Str. 41-45

Tel.: 06142-21687-83
Telex: 417532 cosmo d

Mr. J. Timmers' Director,
Mrs. M. May, Secretary



Marlboro, the number one
selling cigarette in the world.

Utility, Expertise Questioned

'Old-Fashioned' Kremlinologists Become an Endangered Species

By Israel Shenker

NEW YORK (NYT).—They were oracles, soothsayers, prophets, scholars. They knew the best of times and now have fallen on the worst of times. Their utility questioned, their expertise suspect, Kremlinologists have become an endangered species.

A few still analyze portents for clues to power relationships. But interviews with defenders and critics of Kremlinology—and with Kremlinologists—convey an image of decline.

Prof. George Kennan of the Institute for Advanced Study attributed the low state of Kremlinology to the passing of the cold war, the shortage of funds for educational institutions, China edging out Russia in public interest and, finally, "the dull uniformity and unchangeability of the Soviet leadership for the last seven or eight years."

"It's not even stability," noted Michel Tatu, the author of "Power in the Kremlin." "It's an absolute freeze."

Aged 10 Years

"In 10 years all they managed to do is age 10 years," said Leo Labedz, the editor of *Survey*, a journal that specializes in Communist affairs.

"There's rather a dearth of political personality among the top people," suggested Robert Conquest, a London-based expert whose "Power and Policy in the U.S.S.R." was one of the first big Kremlinology books. "These are really an aging lot," he said.

"Even when I was writing about whether Brezhnev or Kossygin would come out on top, it didn't really matter," noted Edward Crankshaw, another British specialist. He called Kremlinology "old-fashioned, out-of-date."

Surfeit of Data

"As a general key to understanding Kremlinology is either misleading or pointless," said Abraham Brumberg, a former editor of *Problems of Communism*, a publication of the U.S. Information Agency.

Zbigniew Brzezinski, the director of the Research Institute on Communist Affairs at Columbia University, said the surfeit of information made interpretation more difficult.

Karel van het Reve of the *Hereng Foundation* in Amsterdam, which publishes the writing of Soviet dissidents, noted:



"Formerly you had only the official sources. Now you have a lot of people writing independently, and it's more interesting to listen to Sakharov and Amalrik and Solzhenitsyn than to read Pravda."

Prof. Richard Pipes of Harvard University said that Kremlinology is "going out of style." "Alas," noted Mr. Tatu, "I don't see any very interesting work being done."

Kremlinology has never been universally esteemed, and it has always been far from a science. Prof. David Joravsky of Northwestern University defined Kremlinology as "an effort to do archival research in high Soviet politics without access to the archives."

Sacred Text

The principal source is the controlled Soviet press, ponderous with sacred texts demanding obedience. Arguments, citations, even single words are chosen not haphazardly but to express or compel adherence. A phrase can

signal a new policy, a reversal of alliances, a fall from grace.

When Khrushchev, the government daily, reported speeches, did it characterize applause as "friendly," "tumultuous" or "loud, prolonged"? If Pravda, the party organ, modified the rigidly stylized greeting to Yugoslavia, was it only the party's secretary-general who could control the switch?

So much could be read into the leaders' standing by analyzing the line-up during parades on Red Square. On May 1, 1959, it was Voroshilov, Khrushchev, Nikoyan, Suslov, Kirichenko, Koslov, Furtseva, Shvernik, and on Nov. 7, Voroshilov, Khrushchev, Mikoyan, Suslov, Kozlov, Furtseva, Kirichenko, Shvernik. "Sure enough," as Mr. Tatu put it, "Alexei Kirichenko, a member of the Soviet leadership in the late 1950s, was purged in January, 1960."

Vernon Aspaturian, of Pennsylvania State University, whimsically analyzed Kremlinology by photo while he was with the Rand Corp. Except: "If one looks very closely, one can observe that there appears to be a faint halo around

the first secretary's occipital region.

The smallest grain of evidence is grist for this mill.

"Whether first secretary is spelled with a capital 'F' is sometimes given too much importance," suggested Mr. Conquest, "but it's not worth absolutely ignoring if there's nothing else."

The story of Lavrenti Beria at the Bolshoi Theater is the supreme canonic tale. When the dreaded secret police chief failed to turn up at a performance in the summer of 1953, a New York newspaper suggested, "Perhaps Beria doesn't like ballet." Two days later, the announcement of his arrest was made.

Who comes to the airport to greet a visiting dignitary? Who is unavoidably detained?

"Why did Brezhnev fail to sign the obituary of Nikolai Shvernik?" demanded Christian Duvel, a West German Kremlinologist who analyzes the Soviet press for Radio Liberty, in Munich.

A Foreshadowing

Mr. Tatu insisted that it was vital to study the movement of personnel—a subordinate's demotion may foreshadow a patron's disgrace. He suggested that a computer would help in the analysis.

Kremlinologists see rivalries for power disguised as clashes between policies: détente vs. armament; central power vs. regional; liberals vs. hardliners; heavy industry vs. light; agriculture vs. industry.

"The whole thing is reduced to hawks and doves—a caricature—when the reality is more complicated," said Mr. Labedz.

Kremlinologists prepare themselves for the last crisis as generals do for the last war. Kremlinology is a useful help in good hands, with analytical depth that is historical, sociological, political but not just a methodological key to open the door of the Kremlin or to look through the keyhole," he said.

Bushkin, Kukushkin

"So the leaders change. Tweedledum is replaced by Tweedledee [Alex Nove, another specialist, called them Bushkin and Kukushkin.] It's always the same thing. It's either—or—either soft or hard—and soft is always replaced by hard, and hard by soft."

"Among all the Kremlinologists, none predicted the fall of Khrushchev," Mr. Labedz said.

"It would have been amazing for the outside world to have been aware of the situation before Khrushchev was," rejoined Mr. Tatu.

For all its shortcomings, is there any alternative to Kremlinology? Philosopher Sidney Hook noted that one tries to predict the weather even if one's tools are inadequate. "One doesn't throw compass and sextant away," he said, "but one tries to make matters more and more exact."

'Blank Walls'

Mr. Tatu suggested that one could record what happened and wait for the next surprise or try to find out "what lurks behind the blank walls."

"Are paleontologists frowned upon for trying to reconstruct a skeleton from one vertebra?" he asked in his book.

"We have got a lot of flesh around the bones," objected Mr. Labedz, but Mr. Tatu was unmoved. "Kremlinology is a method of investigation," he insisted. "It depends how one uses it."

"In this field everybody has his own ax to grind," suggested Set Madrosian, a Kremlinologist who recently retired from the Foreign Broadcast Information Service of the CIA. "My ax? Namely that Brezhnev has suffered as a result of the Middle East crisis."

Nukes, Not Nuances

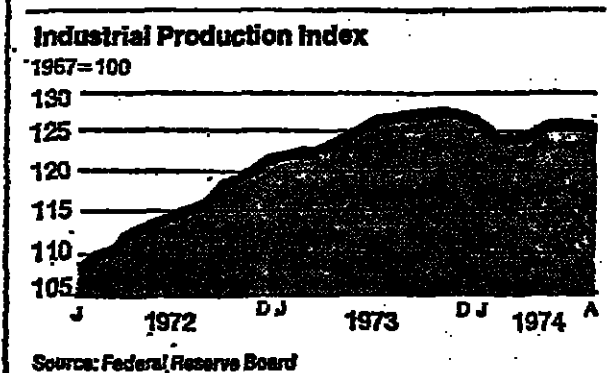
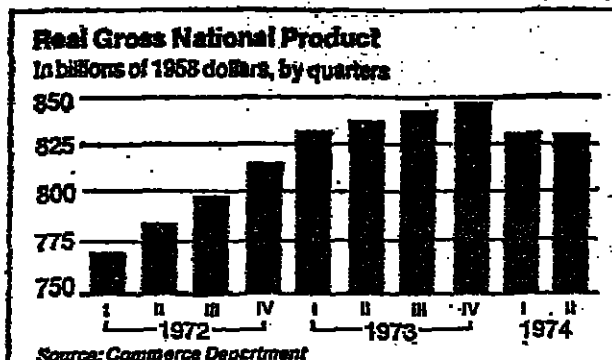
Mr. Madrosian complained that "Kremlinologists speak only to Kremlinologists." And an erstwhile colleague suggested:

"People here rely less on Kremlinology and more on technical types of analysis. Schlesinger is reported to have said, 'Count nukes, not nuances,' and I think a lot of people agree."

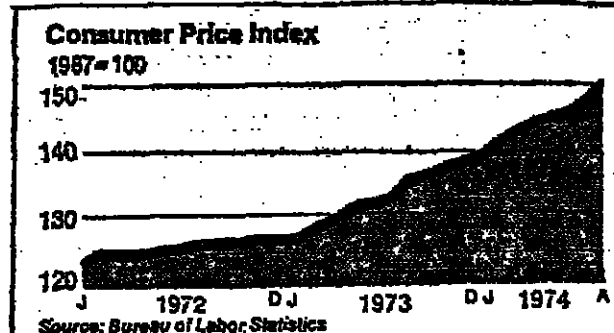
While Kremlinology slumps, Pekingology prospers. Sometimes the Pekingologists seem to be reading the leaves left in the cup by Kremlinologists, as when Ting Wang, discussing "the succession problem" in China, cautioned: "New and unexpected developments could conceivably alter the picture entirely."

What the Shouting Is All About: The World's Economy in Outline

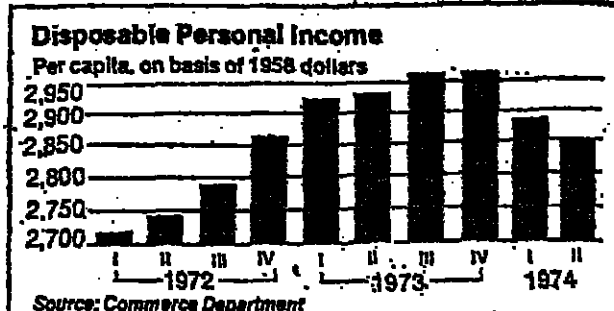
The American Economy



1 Except for relatively minor slowdowns, for 30 years America has prospered. Now it suffers an aberration often called stagflation, a combination of inflation and economic stagnation. The stagnation is evident in the Real Gross National Product chart, measuring all goods and services, and Industrial Production Index, measuring manufacturing, mining and utilities.

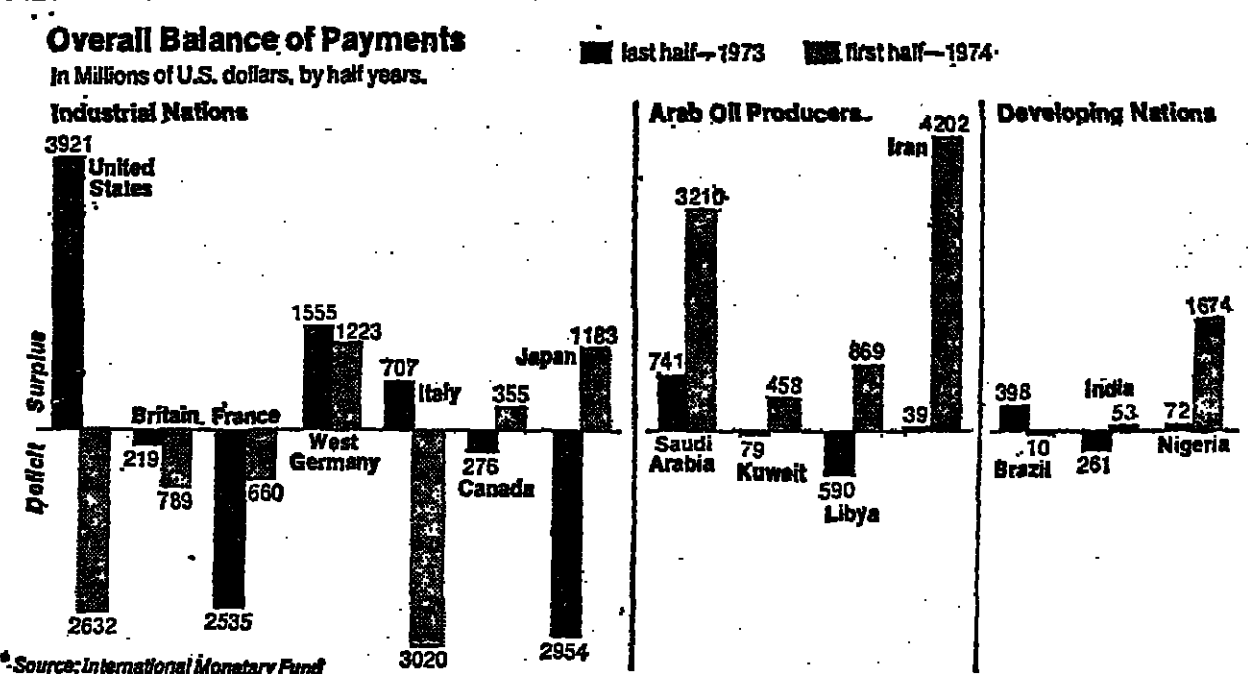


2 A more familiar statistic is the basic measurement of inflation, the Consumer Price Index. Not yet reflected here is the effect of a recent sharp rise in the Wholesale Price Index, but it will be felt soon.

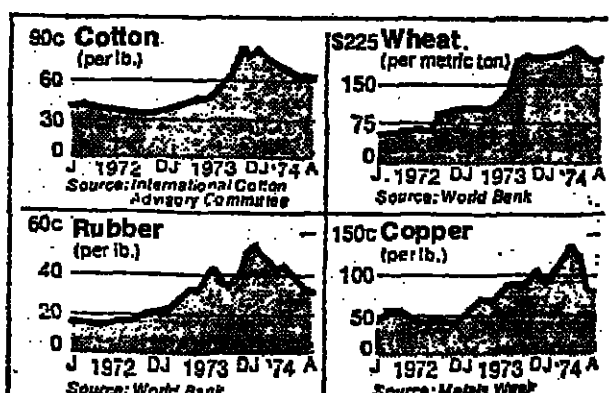
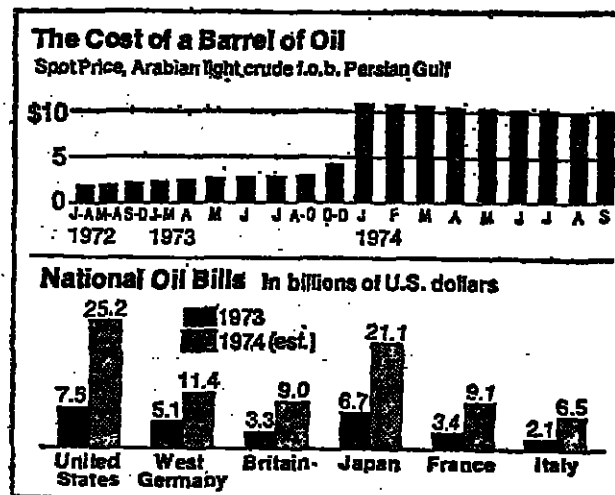
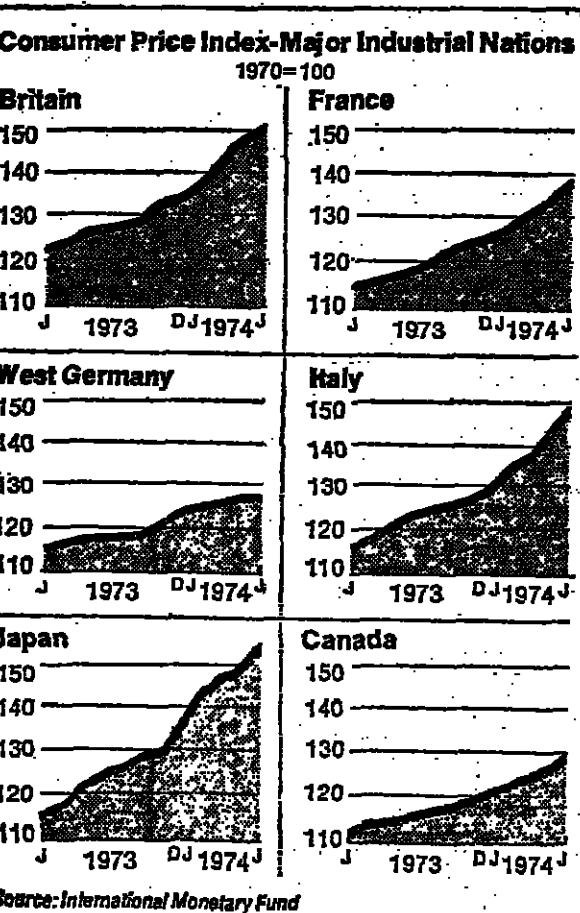


3 There is no single measure for the combined effect of both stagnation and inflation on the individual citizen. The chart above shows what is available for spending after payment of taxes; less and less

The World Economy



1 The basic fact of the world economy is the drastic shift of financial power following the rise in prices late last year. For some fully industrial countries, including Britain and Italy, the effect measured in trade balance has been catastrophic. Others, like West Germany, with a robust export trade, and Canada, with its own oil, have fared well. In the developing world, Brazil, which has hit oil, has done poorly, oil-rich Nigeria well. The oil nations' figures show where the rest of the world money has gone; how and where that money is invested is a major question.



2 Inflation is the other international economic experience. It is worldwide, and the United States is better off than most. Some smaller nations not shown in the charts above are suffering far worse inflationary rates. Reading history, world leaders fear the social upheaval inflation causes even more than inflation itself; Henry Kissinger reportedly thinks it may be close in Italy.

3 The financing of the Vietnam war and over-ambitious national budgets are among the causes of worldwide inflation. So are the commodity prices shown above, as measured by generally accepted market guidelines. The recent slight drops in these prices may indicate that stagnation, in the form of lessened demand, has now come to the world, as well as U.S. marketplace

Tehran's Relaxed View of Ramadan

By James F. Clarity

TEHRAN (NYT).—The people of Tehran, who like to feel that there is a distinctly Tehranian way of doing things, are observing the solemn Muslim month of Ramadan.

In the Muslim world, Ramadan is traditionally a time of attentive prayer and of fasting from sunrise to sunset to expunge past sins and to gain spiritual merit. But many residents of Tehran, especially those with university educations, say that observance of the restrictions of the holy month is relaxing.

These Tehranians, who are quick to remind a foreigner that they are Muslims but not Arabs, an important social distinction here, add that while tens of thousands of Persians in this capital try to observe Ramadan strictly, an even number seem to ignore the demands of their religion.

They emphasize that the Iranian national religion is Islam of the Shiite sect and not one of the more rigid sects that predominate in the Arab world. The difference in attitude toward religion, they say, is related to the fact that Islam was imported here by Arab conquerors in the seventh century, replacing Zoroastrianism.

During Ramadan, Muslims are supposed to eat nothing from dawn to sunset. They are supposed to try especially hard not to lie, to curse or insult another person. All sexual activity during daylight hours is forbidden. Smoking is not allowed. Any violation of these restrictions invalidates the entire day of spiritual merit the believer might have gained.

Sun's Timetable

Variations of observance of these rules have been evident in Tehran since Ramadan began Sept. 18. As an example, for years there had been no need to try to differentiate between a white string and a black string to see if the dawn and the day's fast had arrived. Now the newspapers print a table for Ramadan

use, giving the exact times of sunrise and sunset.

Small sidewalk shops that sell beer and vodka are closed, but any Tehranian knows he can get a drink in a hotel and there are still local businesses, albeit in reduced numbers, having lunch and drinks in hotels and some restaurants during fasting hours.

On Firooz Avenue, near the main bazaar area, a teen-aged boy seemed to be the only violator of the fast in public view at noon one recent day. The boy held a bag of potato chips to his mouth and chomped as he zigzagged on foot through the automobile traffic.

Noon Prayers

At the mosques of Tehran, offices workers and laborers gathered to offer their noon prayers, led by the mullahs, Islamic clergymen. On the streets, many women wore the long, veil-like "chadors" that are supposed to enhance their modesty. But many other women, mostly young, wore tight-fitting trousers and armless cotton shirts.

"The mullah would be unhappy if he saw that," said a middle-aged man, pointing out a Persian girl in a skimpy pair of pants. Mullahs confronted with such immodesty often mumble prayers in Arabic for the salvation of the offender, the man said.

A chauffeur explained that he could eat lunch during Ramadan because he could interpret the law to mean that he was a traveler, therefore exempt from fasting. He noted that his wife, who works as a washerwoman, would observe the fast.

By dusk, there were indications that Tehranians were sitting down to a hearty dinner. The Iranian Meat Organization reported that 33,000 sheep had just arrived from Australia, making a total of 100,000 of the animals available for eating during Ramadan. Meat consumption here doubles during the holy month, the organization said.

Music.

From rock sessions to cisticheds, the *Herald Tribune* keeps you as current on the current European musical scene. And you'll find advance news of concerts and festivals in the advertising columns of this newspaper.

News.

Reporting as objective as humanly possible, plus background to put events into perspective — that's what we call news. Interpret this news with signed editorial comment and you have the *Herald Tribune* — Europe's one international newspaper.

Airlines.

Audience-conscious airlines place more advertising in the *Herald Tribune* than in any other European newspaper. Why? The *Tribune's* paper significant Europeans read, and it's on sale at more than 8,500 newsstands every day.

Food.

The fine art of good eating is a favorite European pastime — and gourmet eat up the *Tribune's* food articles. Where to eat what, and for how much, is covered regularly in the feature pages of the international *Herald Tribune*.

Nigeria

FOUND PROGRESS IN NATIONAL DEVELOPMENT

NIGERIA'S continued advancement in economic and social activities is stressed by national ability and a general determination to ensure the essential coordination of resources, both human and material.

The main pillars of this concerted effort of national instruction were highlighted by the Head of the Federal Military Government, General Yakubu Gowon (the 1973/74 Chairman of the Organisation of African Unity) in his latest statement earlier this year. His theme was upliftment of the people's quality of life through liberating measures directed toward minimising the burdens of rising costs.

In announcing anti-inflationary measures, he declared that "government would utilise the increased revenue earnings in petroleum to substitute for traditional revenues from duties on local industries and, in addition, maintain importation within limits. Import and export duties on goods affected have been reduced."

Increased housing construction is being facilitated by lower costs, both of materials and equipment. To meet food requirements, food items previously restricted are now permitted entry and transportation problems have been eased substantially at a national price level. Petroleum products and spare vehicles through reduced costs.

A significant boost for rural advancement is the increase in producer prices payable for cash crops. These measures for groundnuts, cocoa, cotton, rice, palm oil and kolan, copra, beniseed, yabancas are designed to provide incentives for farmers. To assist farmers deal with problems of credit, the Federal Government has established an Agricultural Bank, which has given out N4.6 billion (about US\$7 million) already.

The Role of Petroleum

The principal engine of economic growth is petroleum. As an oil-producing country, Nigeria has benefited from the increase in the price of petroleum. A deliberate government policy kept production at just over 2 million barrels per day in 1973/74 as Nigeria did not wish to take undue advantage of the disturbed situation in the world petroleum industry. Efforts will continue to ensure that petroleum intervention serves successfully and effectively in the Nigerian petroleum industry. This year's objective will be to be frugal by government's involvement with petroleum marketing and servicing. A main goal of petroleum exploitation and production has been largely achieved by majority shareholding in ownership of major companies in this field by government.

An important project for celebrating Nigerian technological input to the national petroleum industry is the establishment of Petroleum Training Institute at Warri, a main centre of the oil production, where a refinery is being constructed (the second new refinery will be built at Kaduna). The wastage of gas in oil fields, where about 300 million cubic feet are flared daily last year, amounted to over N500 million (about US\$70 million). It is hoped that that recent studies of a collection, liquefaction and export of gas as well

as its conversion into petrochemicals will enable the establishment of a plant for the liquefaction of natural gas.

Anti-Drought Measures

As is generally known, Nigeria is dealing with problems caused by the sub-Saharan drought and has, so far, expended over N40 million (about US\$70 million) to relieve hardships. Work is, however, in hand to provide irrigation facilities and other requisites for long-term solutions to water shortages in the areas affected.

Five river-basin authorities are to be established. They are Niger River, Benue River, Hadejia-Jama'are River, Ogun River, two were established last year for the Sokoto-Rima and the Chad basins.

Projects, which will be undertaken by these authorities, will mean more than containing droughts (and floods). Their main functions include:

- I. The exploitation of underground water resources by sinking bore holes.
- II. The construction of dams for irrigation and flood control purposes.
- III. The development of large-scale mechanized farming to increase the production of both food and industrial crops.
- IV. The control of soil erosion and desert encroachment through afforestation and other means.

The Chad Basin Development Authority is executing the first phase of the South Chad irrigation project covering 10,000 acres at a cost of N20 million. This project will be expanded to cover 100,000 acres in the next development plan period.

On January 30, this year, the foundation stone of the Bakolori Dam and Irrigation Project was laid. This is being handled by the Sokoto-Rima Basin Authority, whose immediate task is the execution of the project which will cost N110 million to complete and is the largest single agricultural project of its kind so far approved by government.

When the dam is built, water released will flow all the year round in the river more than 70 miles downstream. This means permanent water supply for the people and livestock living not only in the vicinity of the reservoir but also for those living along the river bank for a considerable distance downstream.

The project will also make it possible for farmers in the area to harvest two or three crops in a year.

It will create job opportunities for more than 10,000 workers in the sugar and rice mills and the flour and tomato and meat processing factories which will be sited in the project area.

The area will also have electricity from the hydroelectric power from the dam. The benefits of all these to the local community are obvious.

Supply of Electricity

Projects for the rehabilitation of electricity supply in war-affected areas have been completed and action is in hand for the improvement and expansion of generating capacity throughout Nigeria. The Ughelli plant (100 megawatt) has been completed and a new thermal plant at Sapele (300 megawatt) is being initiated to utilise natural gas resources. The Afam, Sokoto and Maiduguri power stations are being expanded to meet increased demands for in-

dustrial and domestic utilisation.

In addition, the machinery for distributing electrical power is being overhauled to facilitate transmission and ensure uninterrupted supply.

Iron and Steel Complex

Efforts are continuing for the establishment of the iron and steel complex in association with the Soviet Union and General Gowon's State Visit to that country last month has advanced the project.

Establishment of an iron and steel complex is part of the 1970-74 National Development Plan, but implementation of the project had been inevitably delayed by a number of time-consuming but essential studies and preliminary work, which must precede actual implementation.

Extensive geological surveys of the whole country in the search for iron ore of sufficiently high quality has had to be commissioned, for instance, so that project design and location may be appropriately oriented to locally produced or to imported raw materials as the case may be.

The first results, were not very encouraging, but more recently, there have

been some spectacular developments in the course of the Steel Development Authority's investigations. High grade iron ore deposits have been identified particularly at Irakpe, Agbaja, Shokoshako and Ajaokuta in Kwara State.

Also, drilling work on coal deposits in the Lafia area of Benue-Plateau State indicated that coal of high quality exists in that area.

In the light of these developments, the Federal Government has decided that the first national steel complex, based on local materials, should be sited between Ajaokuta and Lokoja in Kwara State.

Although implementation of the first project will necessarily take some more time, the Federal Government recognises the desirability of starting, as soon as possible, preliminary work on a second plant based on the direct reduction method which would make good use of Nigeria's abundance of natural gas.

Industrial Programme

By the end of 1975, the two Peugeot and Volkswagen passenger car assembly plants at Kaduna and Lagos respectively will be in production and should lead to further reductions in the price of vehicles.

Plans are in hand for the assembly of commercial vehicles in Ni-

geria and the selection of technical partners will be made shortly.

Two other main industries are concerned with the production of phosphate fertilisers at Kaduna and salt at Sapele (Mid-west) and Ijoko (West) this year.

Another project for the production of sugar has been launched in Suti (North-West) with Tate and Lyle (Nigeria) Limited as technical partners.

Road Development Programme

Road Development is one of the priority programmes in Nigeria. The Federal Government is executing a road programme of over N340 million. This amount does not include cost of road projects by State Governments.

Last month alone, the Federal Government awarded contracts worth N40,104,145.70. One of these is for the construction of the Maiduguri-Gamboru Road (N25,345,856.92), which will cover nearly 100 miles. The other two are for the little Gombe-Jimeta road. Projects already completed include the N23,658 million Apapa-Road complex, Bouchi-Gombe-Yola road, Warri-Benin road,

phase 1 of Kano-Kari road, Benin-Asaba road and the Sokoto-Ilela road (linking Nigeria and Niger). Some of the roads form part of the Inter and Trans African Highway systems.

It is the firm intention of the Federal Government to open up the country and thereby facilitate the movement of goods from one part of the country to another in order to enhance inter-state commerce and to boost external trade.

This is based on the policy of regional economic development, which is a sine qua non for the exploitation of the

country's economic resources well being suffers or shows signs in that direction.

I wish to stress also that the successful implementation of the indigenisation programme demands a lot of sacrifices from, and poses a big challenge to, all Nigerians who now have a duty to ensure the maintenance of high standards of integrity, business acumen, public relations and general efficiency.

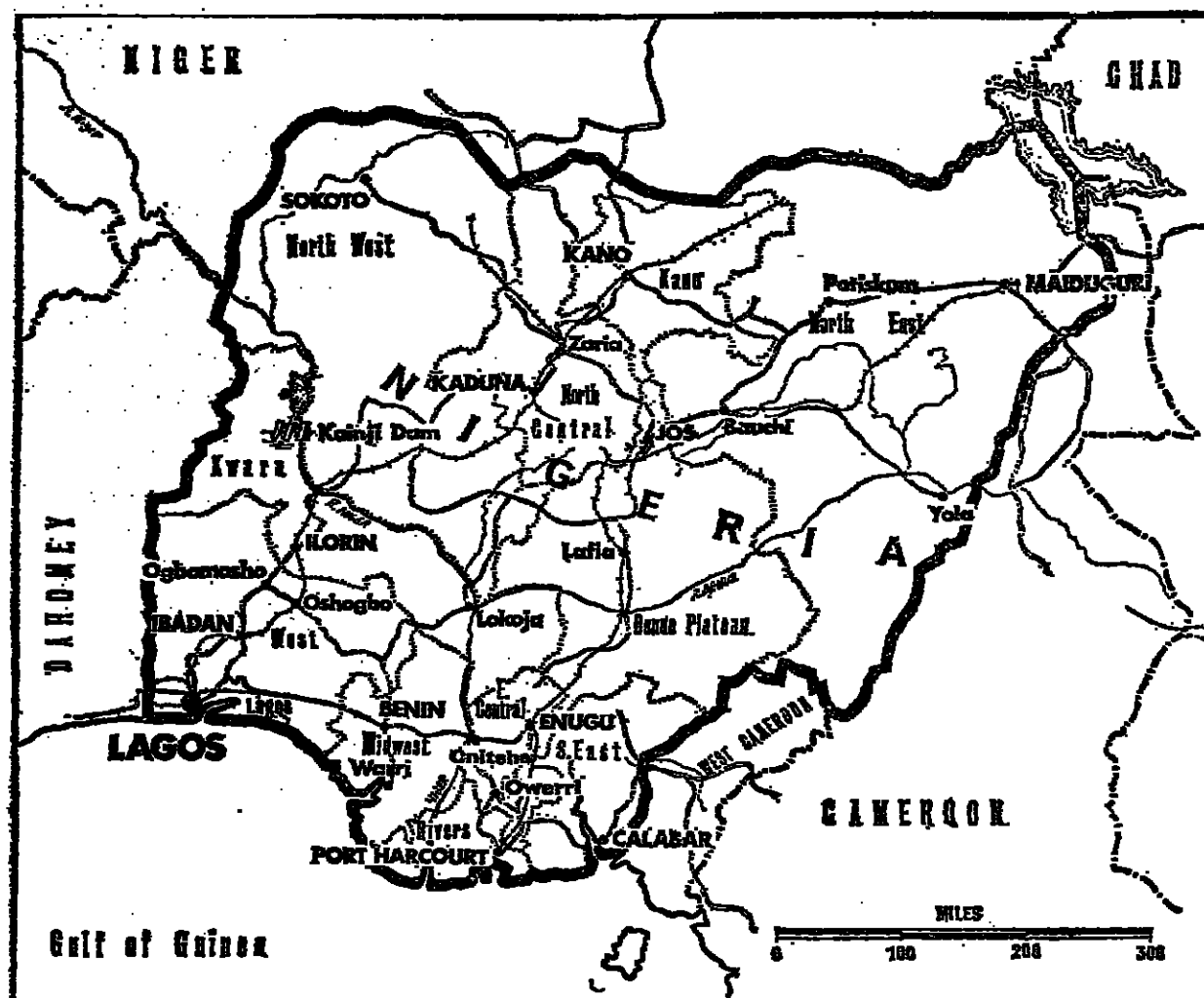
To this end, Nigerian businessmen should avail themselves of managerial training facilities wherever available. In this connection, it may be mentioned that a programme of Industrial Training has been launched by the Industrial Training Fund, and regular courses will be conducted under this auspices by the Centre for Management Education.

INDIGENISATION DECREE

During the first two years, the Nigerian Enterprises Promotion Board has worked strenuously to collect information, classify industries and to identify the businesses affected by the Decree. It has also taken appropriate measures to educate the general public on various aspects and implications of the indigenisation Decree. In addition, seminars and training programmes have been organised by the Universities, and under the auspices of the Association of the Nigerian Chambers of Commerce, Industries and Mines as a means of improving and developing managerial skills among Nigerian businessmen. All these steps are very welcome and augur well for the eventual success of the Scheme.

Considerable progress has been made in the take-over of businesses affected by the Decree, and contrary to the

150-151



vast agricultural and mineral resources by the people for the common good of all.

The idea of opening up the country by means of a system of super highways has a deeper root than the economic factor, for it fosters nation-ness.



Education

Six universities and nine colleges of technology polytechnics, higher education institutions are playing a serious role in the production of urgently needed high-level manpower.

The Federal Government has established a Council for Management and Training to promote programmes for industrial management and an Administrative College is being established near Lagos.

Especially to enhance understanding among Nigerian youths, the Federal Government has set up "Unity Schools" all over the country—each State has one boys' and one girls' secondary school.

National education standards are being nurtured by a federal inspectorate and regular consultations among educational policy-makers and administrators from all the governments of the Federation.

Above all else, however, is the historical decision to introduce Universal Primary Education, which will be free and compulsory in all parts of the country in 1975. To this end, crash programmes for the production of teaching staff will commence this September.

Balance of Payments And Foreign Exchange Position

For the 1974-75 fiscal year, the Federal Government has authorized a foreign exchange budget involving an outflow of about N 2.7 billion and estimated receipts of N 3.2 billion. Thus there

will be a favourable balance at the end of the year which will further strengthen the external value of the Naira.

The performance of our external trade sector in 1973 shows a remarkable improvement over that of 1972 which was also a good year. The level of visible exports which stood at N1,434.2 million in 1972 rose to N2,226.6 million in 1973, an increase of over 55 per cent. This was due largely to the increase in the volume and price of petroleum exports which now accounts for 85 per cent of the total value of exports recorded. The N313 million recorded for traditional exports in 1973 represents over 43 per cent improvement on the previous year. Thus, the non-oil exports regained some of the grounds lost in 1972 when a decline of 30 per cent was registered.

Just as exports grew in 1973, so also did import bills rise. Imports were valued at N1,234 million in 1973 as against N990.1 million in 1972. The non-oil sector almost wholly accounts for the increase in the value of imports with the highest increase recorded for industrial raw materials, passenger cars, transport equipment, food, durable consumer goods and capital equipment, in that order.

Not only is the increase in the general level of imports consistent with growing exports, but the structure of imports continues to fall in line with the desired direction of the development of the economy. Besides, the rate of growth of exports (at about 25 %) is much less than the rate of growth of imports (at over 55 %), so that the increase in the import bills is more than offset by the increase in exports earnings. The net effect is a substantial increase in visible trade balance from N44.1 million in 1972 to N922.6 million in 1973.

The invisible or services account, as usual, registered a deficit. In other words, Nigeria pays out more on services such as shipping, airline travels, and investment income to other nationals than we receive on these services from abroad. The deficit increased from N496 million in 1971 to N772.7 million in 1973. The oil sector accounts for 70 per

cent of this deficit. For instance, out of the N887.3 million deficit recorded in 1973, over N415 million was paid out as investment income to non-resident shareholders of the oil companies. With increasing participation of Nigerians in the sector, such payments will decline in the years to come. It should also be noted that the deficit has been growing in a relatively healthy proportion to the general growth in the economy. In a way, until we develop the shipping capacity etc. to carry the bulk of our external trade, these deficits on services account are to some extent inevitable in a rapidly developing economy.

Exchange Control Relaxation Measures: Payment for Imports

In view of the improved foreign exchange situation, the government has decided to further relax restrictions on the trade account. The 90-day rule in respect of payment for imports is now abolished and in its place we are returning to normal commercial trading practice. Capital equipment valued at over N100,000 will however continue to be paid for on suppliers credit terms to be approved by the Central Bank in respect of the private sector and the Federal Ministry of Finance for the public sector. The new credit guidelines for capital goods will be more liberal and flexible in application.

Profits and Dividends

The highlight of the decision relating to profit and dividends is that we are now returning to the pre-war practice of authorising remittance of dividends as they are declared provided that the proper taxes have been paid on them. All outstanding arrears will, therefore, be cleared during this financial year. With regard to management and technical fees, it is decided that a fixed fee only should be payable in the first five years of the establishment of a new company and thereafter a percentage of gross profit, not exceeding 5 %, may be considered in deserving cases. Turnover or net sales may be considered as a yardstick only in exceptional cases. Applications for technical fees and royalty payments will be related to the state of technology of the industry concerned as well as the existence or otherwise of a centrally directed research and development effort in the industry. Thus, each application will continue to be treated on its own merit within these broad guidelines.

Monetary and Banking Policy

The sectoral credit guidelines for 1973-74 will be maintained in 1974-75, that is, the proportion of each bank's total credit to the various sectors of the economy should be as follows:

Production:	45%
General Commerce:	32%
Services:	11%
Others:	12%

The stipulated percentage shares for the pro-

ductive sectors will be treated as minima while the ratios allocated to general commerce and others will be considered as maxima. The minimum proportion of each bank's loans and advances to be granted to Nigerians in each month will be retained at 40 per cent. The requirement regarding the composition of specified liquid assets will be maintained as in 1973-74. The list of short-term assets will be expanded to include any money-market instruments that may be issued by the Central Bank.

Financial Details of the Budget

This year, the Federal Government expects to collect N3,122 million out of which N591 million represents Statutory Appropriation to the State Governments. An additional N35 million is to be paid as Non-Statutory Appropriation to the States as compensation for revenue loss consequent on the abolition of export duties and sales tax on Marketing Board produce and rubber. Federally retained revenue is thus estimated at N2,496 million. Petroleum now provides over 80 per cent of federally retained revenue.

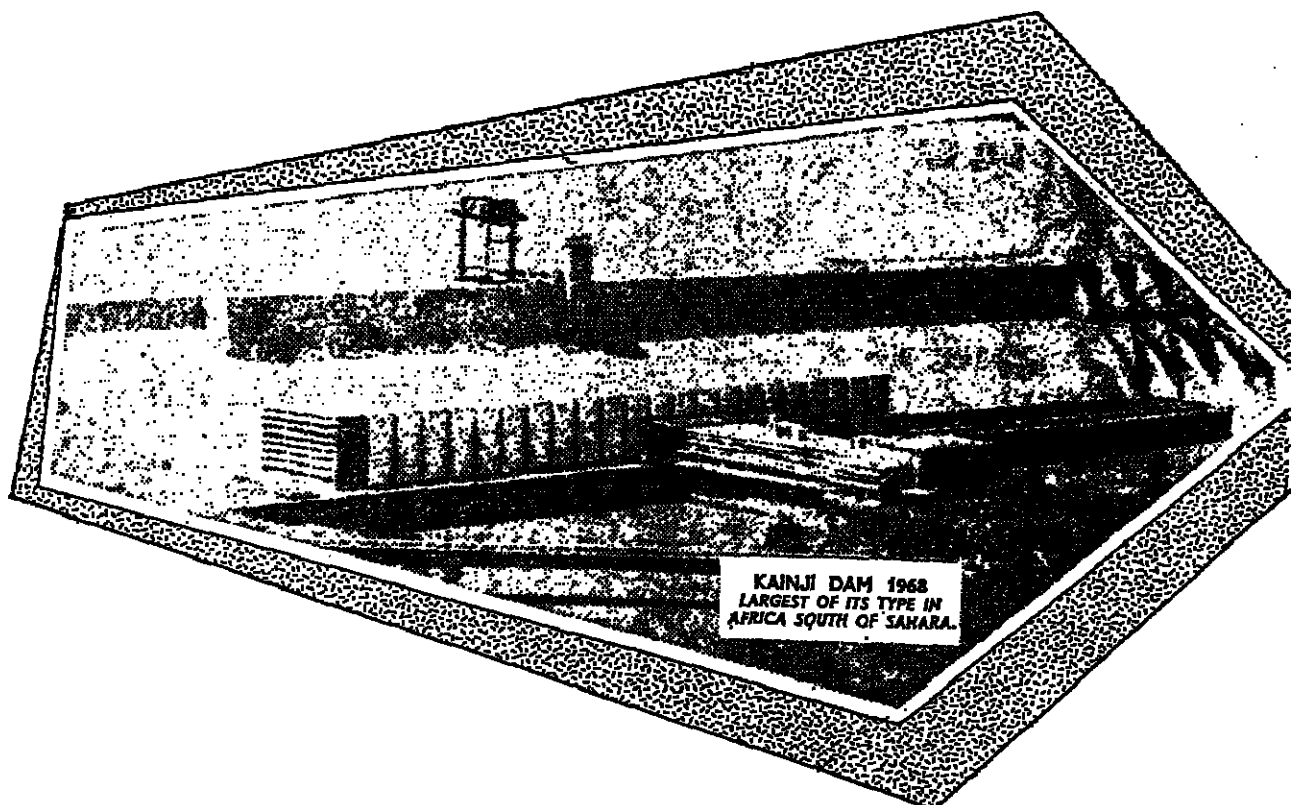
The estimated Federal Government recurrent expenditure for 1974-75 is about N995 million which leaves a recurrent budget surplus of N1,501 million for transfer to the Development Fund for financing Federal Capital expenditure. Thus over 66 per cent of federal current revenue will be utilised for capital development.

TODAY, Nigeria, utilising the prosperity and political stability of recent years, has moved forward courageously to find fresh avenues to develop all aspects of its national resources. In doing so, it has demonstrated its capacity for self-reliance. When the next four-year national development plan is launched in 1975, Nigeria will further present a dynamic nation devoted to the welfare and happiness of all its people.

CURRENT FEDERAL CAPITAL EXPENDITURES £1 = N.665

The Federal Government Capital Expenditure for 1974-75 is estimated at N1,639 million. The expenditure will be financed from an estimated contribution from the Consolidated Revenue Fund of N1,573 million and external loans totalling N66 million and past government savings. The Capital Estimates provide N104 million for agriculture and other primary production, N98.8 million for Trade and Industry, N136 million for Electricity and Fuel, N226.2 million for Land transport system, N15.5 million for Water transport system, N41.2 million for Air transport system, N25.5 million for Water Supply, N12.5 million for Education, N21 million for Health, N199.8 million for Town and Country Planning, N5.3 million for Labour and Social Welfare, N35.9 million for Information, N31.2 million for Police, N32.75 million for General Administration and N59.4 million for Financial obligations.

NATIONAL ELECTRIC POWER AUTHORITY

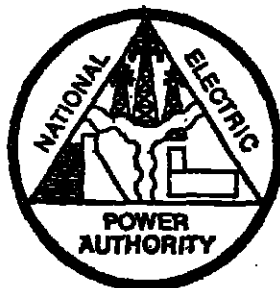


Serving the electric power needs of Nigeria

The Authority, which is one of Africa's fastest growing Electricity Supply Industries, has had an average load growth rate of 20% per Annum in the last Fifteen Years.

In order to encourage rapid Industrial growth the Authority provides electricity at cheap rates.

For further details write to the:
ELECTRICITY HEADQUARTERS,
23-24 MARINA,
LAGOS-NIGERIA



Nigeria's Ports are ready for the Seventies...

The systematic modernization of our ports at Port Harcourt, Bonny, Calabar, Koko, Sapele, Burutu, Warri and, of course, the Container Berth at Lagos are ways in which we are anticipating the future. Additional cargo-handling equipment, rapid turn-round and a 24-hour labour force ensure that international shipping spends the minimum time in our ports. But our services don't just stop there. We undertake ship repairs, towage, pilotage, buoyage and surveys.

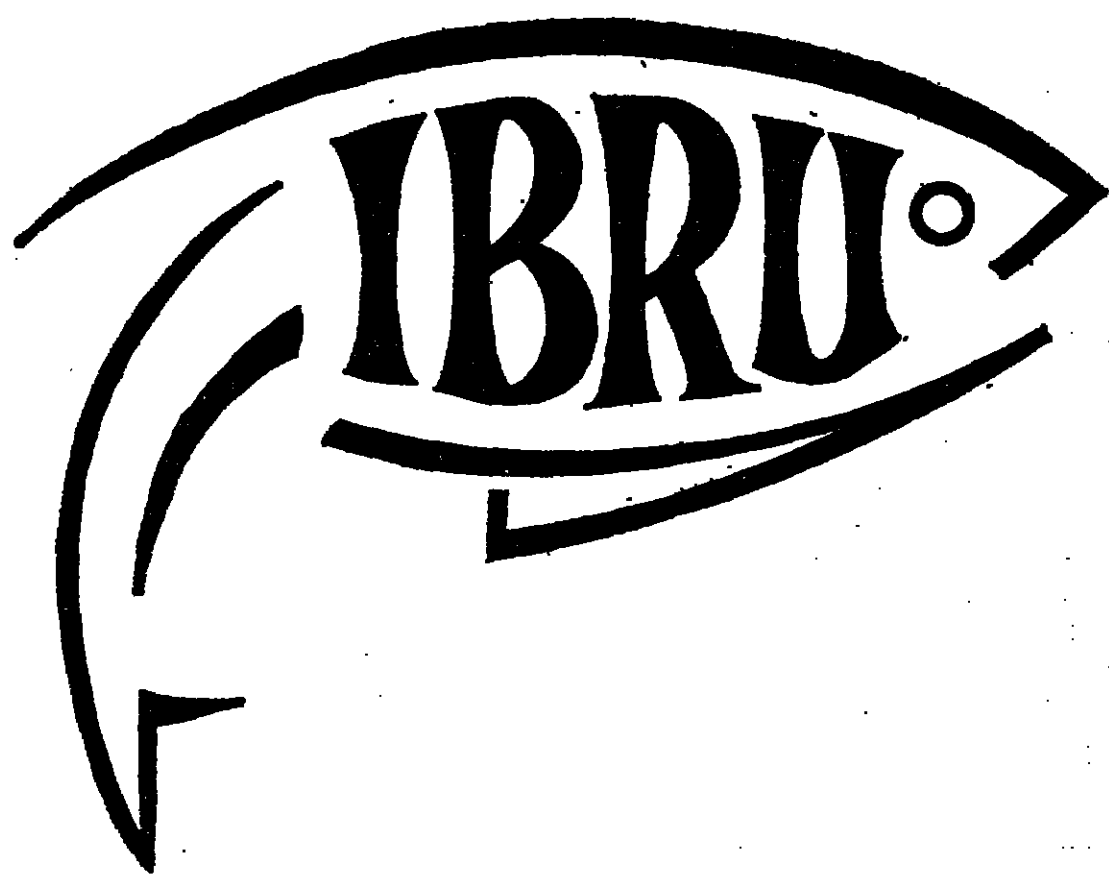
We utilize new ideas as they come. For we are aware of a new era in Nigeria—in short, we're ready for the Seventies.

For more information on ports facilities and services, apply to the General Manager:

Nigerian Ports Authority

Head Office: 26/28 Marina,
P.M.B. 12588, Lagos, Nigeria.

Seventeen years of continuous expansion — and still looking for more!



The IBRU Organisation

33 Creek Road PMB 1155 Apapa (Lagos) Nigeria
Tel: 46504-6 & 46683-4
Cables: Ibrufish Lagos

Telex: 21324

Let us introduce the IBRU organisation to you!

It is one of the leading indigenous operations in Nigeria. It pioneered the distribution of frozen fish, with the object of eliminating malnutrition and providing the Nigerian people with a low priced high-protein food. Its distribution network covers all of the densely populated Southern areas and reaches six hundred miles to the North towards the Sahara.

The complexities of fish distribution created not only the largest network of cold stores in tropical West Africa but many other supporting activities, such as:

- trawling, processing, marketing frozen fish and prawns
- ship owning, operation, repairs and engineering
- refrigerated transport, supply and maintenance of cold storage
- sales and service of heavy trucks, construction equipment, buses and cars
- building, contracting and steel supplies

These activities, generated by the initial operation, have themselves created their own offspring, such as:

- marine, technical and air-conditioning equipment
- steel fabrication and boat building
- fibreglass boat assembly and distribution
- poultry farming — from hatchery to oven ready
- agricultural estates and oil mills
- timber processing and export
- soft drinks production
- merchandising — jewellery, watches, glassware, porcelain, silverware, fabrics etc.
- national distribution, wholesaling and retailing
- plastics — injection moulding and extrusion
- bulk liquid transportation by land and sea — especially vegetable and mineral oil
- car hire and air charter

Now you know something about us!

The IBRU organisation promotes trade throughout the world and the executives of the Group are constantly on the move. The growth of the Group is continually creating opportunities for further international business. Mr. Michael Ibru, the Chief Executive, welcomes the approaches of businessmen looking for expansion in today's Nigeria.

OPTIONS: BRIGHT SPOT IN THE U.S. MARKET

Despite the current popularity of those little yellow "smile" suckers and lapel pins, it's hard to look a stock broker in the eye these days and say "Have a nice day." Nobody on Wall Street, it would appear, has had a nice day for a long time now.

Member firms of the New York Stock Exchange posted a loss of \$45.9 million through the first six months of 1974 and last June trading volume on the Amer. hit an eight-year low. Causes for joy are not easy to come by and economists as a group, have not been bearers of good tidings.

But through all the gloom and anxiety, there is a securities exchange that's growing and going strong: The Chicago Board Options Exchange. The CBOE, as it is familiarly known, appears to be winning friends and influencing people with each new passing week. Trading volume climbed to a record 41,000 call option contracts on September 12, which means that on that day people bought and sold options on more than four million shares of common stock on the CBOE. This takes on an even greater significance when one notes that this new exchange—and the market it created—is not quite 17 months old.

Options? Calls? Contracts? If the terms are unfamiliar to you in the context of a securities exchange, the following will help to fill in the blanks. An option is a contract which guarantees the buyer the right to buy or sell stock at a fixed price within a specific period of time, regardless of the market price of the stock. Each option covers 100 shares of common stock, and may be a call (option to buy) or a put (option to sell). At present the Options Exchange only trades calls, with puts trading on the drawing board for late 1975.

Although the concept of buying and selling options on securities is not new, listed options traded on

the CBOE differ so radically from unlisted options that they constitute an entirely new investment medium. For the first time, there is a central marketplace, eliminating the need for a buyer to "search out" a seller and vice versa. Also for the first time, option contracts have standard expiration dates (the last business Monday of January, April, July and October) and standard exercise prices (the price at which the option holder can acquire the stock from the option seller).

This leaves the premium—the price paid for the option—as the only variable, and premiums are determined by bidding and offering on the floor of the Exchange in the same manner as stocks. Indeed, the CBOE's options are listed securities themselves, similar to warrants.

Finally, the Clearing Corporation stands as the opposite party to every transaction, enabling buyers and sellers to act independently of one another. This enables a buyer to sell his option, either to take a profit or reduce a loss, and a seller to "buy in" an option he has written, terminating his obligation to deliver the stock, while in no way affecting the right of the original buyer to sell, hold or exercise his option. The Clearing Corporation guarantees all options transactions it clears, assuring that the buyer who exercises his option will receive the stock at the stipulated exercise price, and that the seller of the option will be paid.

Orders to buy and write (sell) options are handled through brokers in the same way as orders to buy and sell stocks, and the buyer or writer of an option knows almost instantly the price at which an order has been executed.

"Fine," you say, "hats off to the Chicago Board Options Exchange for organization and innovation during a bad time all around in the market, but



More than 25,000 call option contracts are traded daily on the floor of the Chicago Board Options Exchange—the first new securities exchange in more than a decade and the only exchange trading exclusively in stock options.

why is it doing so well?"

The reason, suggests Joseph W. Sullivan, President of the Options Exchange, is that "listed options have opened up an entire new world of investment possibilities to those with the resourcefulness to perceive them. An option on the CBOE can be used alone or in tandem with positions in other securities to produce portfolio combinations with risk/return possibilities impossible to achieve in any other manner."

Buying call options offers investors the potential for a large profit from a relatively small investment with a known and predetermined risk. The investor who buys a call option knows in advance that the most he can lose is the price he paid for the option.

Selling call options offers investors the opportunity to increase the income from their securities investments, often quite substantially.

Still other attractions of options to many investors are:

- Protection for the writer against a possible decline in the value of owned securities by virtue of the premium he receives.
 - The opportunity for the buyer to establish or "nail down" today the price he will pay for stock three, six or nine months from now.
 - The opportunity to hedge a short sale.
- To illustrate the advantages of options for the buyer, let's use the example of the mythical Universal Umbrella Corporation July 50 option. Written as UUC/July/50, this means the buyer of the option has the right to purchase 100 shares of Universal Umbrella at \$50 a share before the last Monday in July.
- Let's say that in late February Universal Umbrella's stock was trading at \$50 per share and a

UUC/July/50 option could be purchased on the CBOE at a price of 6. A month later, at the end of March, with the stock at 54, the July 50's closed on the CBOE at 8, producing a 2 point or 30% profit (before commissions) on the option on a 4 point move in the stock. Had that been an over-the-counter option rather than a CBOE option, the only action generally open to the buyer who wanted to realize that 4 point advantage in the stock's price would have been to exercise the option, since there is no organized secondary market open to OTC option traders in which the option's remaining time value would be reflected. The OTC option holder's 4 point realization (before commissions) upon exercise won't even offset 6 point premium paid originally for the option, so he ends up with a net loss of 2 points. However, due to the CBOE's continuous secondary market, the CBOE option holder can sell at 8 the option he purchased for 6 by simply calling his broker.

Another factor with great appeal to a multitude of disenchanted investors is the risk limitation afforded by the purchase of a call option. Consider the following: An investor considering purchasing 100 shares of Universal Umbrella common stock at \$30 for a maximum risk exposure of \$3,000 could have bought a 9-month call with an exercise price of 30 for \$3 per share on the CBOE as an alternative. He has the same appreciation potential of the stock purchaser for the next nine months and his maximum risk exposure is the \$3 per share he paid for the option, or \$300. In the meantime, the balance of the money that would have been committed to the stock could be kept in low risk, yield producing investments such as Treasury bills, producing an investment package similar to—but less risky than—a convertible bond.

It must, of course, always be kept in mind that an option is going to become worthless on its expiration date unless the price of the stock is above the option's exercise price. Every option buyer should be aware of the possibility that he may lose every cent he has committed to that option if he does not sell it or exercise it prior to expiration. But it is not necessarily true that should an option expire worthless, its holder is a loser. If his aim in buying the option was to limit the risks of holding the stock or to hedge a short sale of the stock, then the option may have protected him against much more severe losses.

So much, for now, regarding the buyer of the option—what about the writer?

The CBOE's market concept has made some major contributions where the writing of options are concerned. Among them is the fact that for the first time an option market exists with enough depth to sustain institutional-scale participation and make possible in practice what have long been only theoretical advantages of option writing by various types of institutions: Specifically, to obtain additional yield and to hedge against a decline in value of owned securities.

Before the Options Exchange, in the absence of a secondary market where an option writer could terminate his obligation at any time, the writer had to carry his obligation for the full term of the option no matter what happened to the underlying stock in the market. A writer who was faced with a declining market for the stock could escape the downside risk in the stock by selling it out, but this left his position as an option writer uncovered and exposed him to the same upside risk as a short position in the stock.

"While they've mostly lived to tell about it," notes Joe Sullivan, "more than a few writers have been wiped out in this fashion by recoveries in a stock after it had been sold on a decline."

But by contrast on the CBOE when a covered writer determines to sell the covering stock because of a real or anticipated decline, or for any other reason, he can terminate his option writer obligation at the same time with a closing purchase on the CBOE's secondary market thus avoiding this whipsaw exposure.

Most of the options written on the CBOE are on a covered basis—that is, where the writer owns the stock—and additional yield or hedging of stock positions are the main objectives, though there has been a significant increase in the uncovered or "naked" writing of options.

"Among the uninitiated," says Sullivan, "I suspect that naked option writing may run along

side of stracking as a sign of the excesses and even decadence of our time.

However, while it is true that uncovered writing can be highly speculative, for the most part, the uncovered writing strategies that the Exchange has fostered have been among the least risky and most effective of any mode of participation in our market."

Perhaps to many money managers, the single most appealing new technique made possible by the Exchange is what is called "variable hedging" and normally involves writing options on two or even more units of stock for each of the units of stock held.

For example, an investor has or purchases 100 shares of XYZ Corporation at 50 and then writes an XYZ/January/50 option against that stock position for a premium of 5 points. The stock is now hedged against a downside loss to 45 and, if the stock remains around 50, the annualized yield is obviously very attractive. But let's say instead of writing just one option against that 100 share stock position, two options were written. Those two 5 point premiums provide downside protection against loss in the stock all the way to 40 and the yield, if the stock stays flat, is doubly attractive. On the upside, the loss on the second (the uncovered) option written will outweigh the premiums received only if the stock rises above 60. So the writer of the options has assured himself of a positive rate of return as long as the stock stays within a band between 40 and 60 at expiration.

Additionally, the band of positive return is far from static. If the stock begins to move significantly away from the purchase price of 50, the band can be adjusted by varying the number of options written in order to preserve positive returns within a range on either side of the stock's price.

If XYZ Corporation broke from 50 to 45 shortly after the initial 2-for-1 variable hedge was initiated, the writer might well write two more XYZ/January/50 options which, with the stock now at 45, could reasonably be expected to be selling for around 2 1/2. The additional 5 points of premiums received extend the band of positive return down to 35 on the downside while lowering it to 55 on the upside. If the stock should move away from 45, the 4-to-1 ratio of the hedge can be varied once again.

"I am aware of one variable hedge portfolio," says Sullivan, "which involves about 15 stocks and was set up last November when the Dow Jones Industrials were at 980. The portfolio manager was confident of achieving a positive rate of return so long as the Dow Jones stayed anywhere between 750 and 1200 during the 90-day period ending January 31, and he did in fact achieve one despite the decline to around 800. If I told you what the an-

mualized rate of return actually was, it would undermine my credibility."

A month ago, the Securities and Exchange Commission issued the long-awaited announcement of its approval of the Exchange's plans to add eight additional underlying stocks and 200 additional memberships.

Shortly after the SEC's announcement, one reporter wrote: "The security industry's test tube baby, prodigiously successful as an only child, is about to enter adolescence."

August, 1974. All in all, not an unrespectable first 16 months for any "test-tube baby."

In fact, the CBOE's booming business has forced it to construct a new trading facility five times the size of the present one. The new floor will provide comfortably for options transactions on a list of several hundred stocks, for a daily volume of 200,000 option contracts representing transactions on 20 million shares of stock, and eventually, puts as well as calls.

CBOE OPTIONS ARE CURRENTLY TRADED ON THESE NEW YORK STOCK EXCHANGE-LISTED SECURITIES

American Telephone & Telegraph	Loews
Atlantic Richfield	McDonald's
Avon	Merck
Bethlehem Steel	Minnesota Mining & Manufacturing
Brinswick	Monsanto
Eastman Kodak	Northwest Airlines
Exxon	Pennzoil
First National City	Polaroid
Ford	RCA
Great Western Financial	Sears, Roebuck
Gulf & Western	Sperry Rand
INA	Texaco Instruments
IBM	Uphorn
International Harvester	Weyerhaeuser
ITT	Xerox
Kerr-McGee	
Kresge	

SOON TO BE ADDED

Aluminum Co. of America	General Electric
Dow Chemical Company	General Motors
Federal Nat'l Mortgage Association	Homestake Mining Co.
	International Paper
	Kennecott Copper

If then-and-now comparisons are any indications of success, then compare the volume of option contracts traded during May of 1973, (the Exchange's first full month of operation) with the August, 1974 volume. The May volume was 34,559 options as compared to a monthly total of 543,352 options traded just 16 months later during August. The dollar volume, based on the price paid for the option, was in excess of \$129.5 million for

Joseph W. Sullivan, President of the Exchange, is bullish about its future. "Already there is recognition that a CBOE listing can be meaningful in terms of making the underlying stock more attractive to investors and facilitating block trading through the use of option hedges," he says. "With a broadening of understanding and a broadening of listings, I believe the options market will become a bulwark of the capital markets system."

How you could receive money immediately by writing options with Merrill Lynch.

First, read this special Chicago Board Options Exchange supplement. Then contact your nearest Merrill Lynch office to learn about an option-writing strategy with these advantages for conservative investors:

- It can generate immediate cash from some of your stocks—payment for contracting to sell them at a later date. In some cases, you could enter into a contract to sell them above the current market price.

- It could cushion your losses if some of the stocks you own decline in price.
- For detailed information and a free prospectus, call us today at any of our offices in the cities listed below.



MERRILL LYNCH INTERNATIONAL INC.

Amsterdam, Athens, Barcelona, Beirut, Brussels, Cannes, Dubai, Düsseldorf, Frankfurt, Geneva, Hamburg, Hong Kong, Kuwait, London, Lugano, Madrid, Manila, Milan, Munich, Paris, Rome, Rotterdam, Singapore, Taipei, Tokyo, Vienna, Zurich.

Services related to research and transmission and execution of orders discussed in this advertisement are provided by Merrill Lynch Pierce, Fenner & Smith Inc., New York, and certain of its affiliates, and are available outside the U.S. through Merrill Lynch International Incorporated and its subsidiaries and associated companies.

Sophisticated Help with CBOE Options

Bache has been associated with CBOE Options since their inception. We were among the original CBOE members. Because of our experience, we believe our professionals are especially qualified to help the sophisticated Trader in this options market.

Bache Weekly Option Report

This computerized report covers all listed CBOE options. It is updated twice weekly via our private news wire. It provides price relationships between underlying stocks and the options themselves; projected rates of return under varying situations and other useful data. Copies of this report and a CBOE prospectus are available at all Bache offices.

Watch for OPCOM

Under testing right now, this exclusive service will provide computer access to statistical analysis of possible positions under varied conditions and strategies for all CBOE options directly from a local telephone number.

Institutional inquiries invited

Bache

Amsterdam • Beirut • Düsseldorf • Frankfurt • Geneva • Hamburg • London • Lugano • Madrid • Milan • Munich • Paris • Rome • Vienna • Zurich

Dean Witter is a member of the Chicago Board Options Exchange and maintains a fully staffed Options Department, headquartered in Chicago. This department provides services for both options traded on the over-the-counter market and the C.B.O.E.

Internationally, our clients are served through subsidiaries, with offices in:

London 7, Cleveland Row, St. James London, SW1, England Zurich Oberdorfstrasse 23 8001 Zurich, Switzerland

Geneva (Institutional) 34 Avenue de Frontenex 1207 Geneva, Switzerland

Additional information and prospectuses can be obtained from any of these offices.

DEAN WITTER & CO. INCORPORATED

When E. F. Hutton International talks about Chicago Board Call Options, European Institutions Listen.

That's because we've carefully organized our operations to provide maximum assistance to money managers and traders using Chicago Board Call Options not only in handling and execution of orders but in trading information and strategies.

We have continuous and speedy access to the respected Options Department of E. F. Hutton & Company Inc. in New York and the Chicago Board Options Exchange. Almost immediate contact is made possible by a special direct voice line between our international headquarters in Geneva and E. F. Hutton in the United States.

A CBOE prospectus and further information are available upon request.

E. F. Hutton INTERNATIONAL

Athens • Frankfurt • Geneva • Hamburg London • Lugano • Munich • Paris • Zurich The E. F. Hutton International Group of Companies has continuous access to the services and facilities of E. F. Hutton & Company Inc., One Battery Park Plaza, New York.

We take pleasure in announcing the appointment of

Mr. JOHN L. LANGTON

as

Chief Trader of Bondtrade.

Mr. Langton succeeds Mr. Armin J. Matile, who had been Chief Trader since Bondtrade's formation in 1967.

OPTIONS: SOPHISTICATED INVESTORS ARE TAKING A BIG NEW LOOK

Trading in options is enjoying an unequalled growth right now. And Loeb Rhoades, serving both institutional and individual investors, is an active member of the CBOE.

If you would like to know more about this exciting new investment medium, and receive a copy of the current CBOE prospectus, call or write our nearest branch office.

Hugo Gelardin
Partner in Charge
International Department
42 Wall Street
New York, N.Y. 10005

LOEB RHOADES

London:
Centre Block 21 Moorfields
Phone: 01638-4601

Frankfurt:
Wienstrasse 26, 6000 Frankfurt/Main
Phone: 230171

Lausanne:
2 Place Papinet, 1003 Lausanne
Phone: 226494

Lugano:
Via Besso 31, 6900 Lugano-Besso, Ticino
Phone: 2.57.75

Paris:
4 Rue Saint Florentin
Phone: 26609415

Domestic Bonds

Bonds	Sale in \$1,000	High	Low	Last	Net
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00

Bond Sales on the New York Stock Exchange

Bonds	Sale in \$1,000	High	Low	Last	Net
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00

Bonds	Sale in \$1,000	High	Low	Last	Net
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00
AbtL 6/1/77	10	72 1/2	72 1/2	72 1/2	00

This advertisement appears as a matter of record only.

RATP

RÉGIE AUTONOME DES TRANSPORTS PARISIENS

U.S. \$ 20,000,000
10 year loan

Unconditionally guaranteed by
THE REPUBLIC OF FRANCE

arranged and provided by

© Société Générale

August 1974

This announcement appears as a matter of record only

NEW ZEALAND

US \$400,000,000

multicurrency revolving credit

arranged by

**LLOYDS BANK INTERNATIONAL
LIMITED**

In association with
The National Bank of New Zealand Limited

**MORGAN GUARANTY TRUST COMPANY
OF NEW YORK**

**COMMERZBANK
AG**

**ORION
BANKING GROUP**

BANK OF AMERICA N.T. & S.A.

**KUWAIT FOREIGN TRADING,
CONTRACTING AND INVESTMENT
COMPANY (S.A.K.)**

**CANADIAN
IMPERIAL BANK
OF COMMERCE**

MELLON BANK, N.A.

SECURITY PACIFIC BANK

and provided by

Algemeine Bank Nederland N.V.
BNS International (Hong Kong)
Limited
Bank of America N.T. & S.A.
Bank of Montreal
Bank of New South Wales
Banque Canadienne Nationale
Canadian Imperial Bank of Commerce
Chase Manhattan Bank, N.A.
Commerzbank AG, London Branch

Continental Illinois National Bank &
Trust Company of Chicago
Crockford National Bank
First Pennsylvania Bank N.A.
International Westminster Bank
Limited
Kreditbank N.V.
Kuwait Foreign Trading, Contracting
and Investment Company (S.A.K.)
Lloyds Bank International Limited

Mellon Bank, N.A.
Morgan Guaranty Trust Company of
New York
National and Grindlays Bank
Limited
Orion Term Bank Limited
The Royal Bank of Canada
Security Pacific National Bank
WestLB International S.A.
Luxembourg

American Express International
Banking Corporation
Amsterdam-Rotterdam Bank N.V.
Australia & New Zealand Banking
Group Limited
Banque de Ceylone
Bank of America International
Limited
Bank of British Columbia
Bank of Ireland, London
Bank Mees & Hope N.V.
Bank of New Zealand
The Bank of Tokyo (Holland) N.V.
Banque de Bruxelles Drayton Limited
Banque Française du Commerce
Extérieur

Banque de la Société Financière
Européenne
Banque Worms
Commonwealth Trading Bank of Australia
Cooperative Centrale
Raiffeisen-Boerenleenbank G.A.
Crédit Suisse
Creditanstalt-Bankverein
Deutsche Genossenschaftsbank
First National Bank in Dallas
The Indiana National Bank
Irving Trust Company
Lloyds Bank California
London Multinational Bank Limited
Manufacturers Hanover Bank
Nordique

Mercantile Trust Company
National Association
Midland Bank Limited
The National Bank of Australasia
Limited
The National Bank of New Zealand
Limited
The Nikko (Luxembourg) S.A.
The Northern Trust Company
Oversea-Chinese Banking
Corporation Limited
The Royal Bank of Scotland Limited
Seattle-First National Bank
Swiss Bank Corporation
Toronto Dominion Bank
United International Bank Limited

The Republic of the Ivory Coast

\$60,000,000

Ten Year Eurodollar Loan

Initiated By

Bankers Trust Company

Managed By

Bankers Trust Company

Société Générale

Local Representation

Société Générale de Banques en Côte d'Ivoire

Provided By

Bankers Trust Company

Banque Nationale de Paris

Société Générale

United California Bank

Banque Européenne de Crédit

Chemical Bank

Banque Commerciale pour l'Europe du Nord (Eurobank)

Industrial National Bank

RBC Finance B. V.

The Bank of Nova Scotia

The First Pennsylvania Banking and Trust Company

The Indiana National Bank

Banque Canadienne Nationale

Banque Française du Commerce Extérieur

Banque Franco-Arabe d'Investissements Internationaux

Banque Worms

Commerce Union Bank

European Arab Bank (Brussels)

Franklin National Bank

Hartford National Bank

Interunion Banque

Société Générale (France) Bank

مكتبة الامم

CHESS

If the defense has anything to say about it, counterattack is preferable to straightforward resistance. Even where the brunt of an attack can borne by solid resistance, the result is often a passive, immobile position difficult to maintain against long-term pressure.

Besides staying clear of that dead end, counterattack has another advantage over direct resistance: It radically alters the course of the game and suddenly thrusts new problems on the opponent.

When an attack has been soundly and logically planned, counterattack in a routine way will be impossible, and then a sharp sacrifice is necessary to break out. Assuming that the opponent cannot ignore the counterthrust — to carry through his attack he must have no other alternative than to accept the offered material and go over to defense.

What makes that so difficult is that a position well geared for attack may be catastrophically balanced for defense. Stripped of their attacking function by the surprise counter, the attacker's pieces may be all but impossible to recall for new tasks.

In the sixth round of the Torneo Internacional de Ajedrez in Lanzarote, the Grand Canaries, the United States grandmaster, Lubomir Kavalek, gave a demonstration of a stunning counter-attack that produced a sharp victory over Silvio Garcia of Cuba.

In place of the more common 12 P-P; PxP; 13 Q-R4 (which could answered by 13 ... B-K2; 14 B-N5, R-N3 threatening 15 ... O-O-O). Garcia tried an idea of the Yugoslav grandmaster, Dragoljub Janosevic: 12 E-Q2, 13 Q-N4? To immobilize the black Q-N3 and 15 P-QR4, opening the QR file for attack on the backward black QRP.

Yet he could not directly pursue his goal with 17.

protesting those hyperbolic compliments, "but smiling all the same, one of those Parisian gamblers that implies everything and admits nothing."

Mr. Brogaard is a book review for The New York Times.

By Robert Byrne

KAVALEK/BLACK

GARCIA/WHITE
Position after 22...R-K5

Q-K2, since 17 ... B-B1; 17 Q-N1, N-N3; 19 R-R5, N-B5 would prove more than adequate for Kavalek. Garcia's mounting queenside pressure with 17 R-R5 and 18 N-QR4 was countered by Kavalek's jump to 18 Q-N3 based on the possibility 19 NxP, NxN; 20 R/SxN, Q-Q3; 21 R-R5, NxP; 22 BxN, Bxb; 23 QxR, QxB with an even position.

After the king pawns were cleared off at move 20, Garcia obtained great attacking prospects with 22 Q-R4, for example 22 ... K-N5, 23 N-N5!, NxN; 24 RxN, QxN (24 ... B-U2 is the only defense with a chance to hold); 25 BxP1, BPxB; 26 RxPxP and mate in two.

That was the moment Kavalek picked for the chancy exchange sacrifice 22 ... R-K5! certain that it had to be accepted because of the hanging QNP. Instead of blocking his bishop for the sake of guarding the king pawns with 24 P-B3, perhaps Garcia should have returned a pawn with 24 N-B5 to simplify the position.

Kavalek removed one defender with 25 ... NxN and brought all guns to bear with 26 ... R-K1. After 28 Q-B5, he forced recovery of his sacrifice because 29 R-K3?, RxR; 30 QxR, Q-Bsch; 31 Q-N1 yields 31 ... BxP mate. Garcia gave up at move 32 because he could not save the queen without getting mated.

Garcia White	Kavalek Black	Garcia White	Black Kavalek	Garcia White	Kavalek Black
1 P-K4	P-QB4	12 B-Q2	B-N3	23 RxP	N-B3
2 N-KB3	P-Q3	13 PxP	PcP	24 Q-B5	R-K1
3 P-Q4	P-Q3	14 P-P4	K-O	25 B-B2	N-N
4 N-P3	P-Q3	15 P-O4	PcP	26 NxN	B-K1
5 N-Q3	P-QB3	16 R-P	KR-E1	27 Q-N3	B-Q2
6 P-B4	Q-B2	17 R-B3	B-B3	28 Q-B5	R-K1
7 R-P4	E-Q2	18 P-K4	R-N3	29 R-K3?	RxR
8 N-B3	P-QN4	19 R-B3	P-N3	30 NxN	R-K7
9 Q-O	B-N2	20 BxPc	B-N3	31 N-Bsch	R-K1
10 K-K1	QN-Q2	21 B-N2	P-K1		Resigns

Roles Hold Half-Game Lead

Cards, Pirates Draw Even

Ryan Hurls 3d No-Hitter

Ryan's previous no-hitters were May 15, 1973, over the Kansas City Royals and July 15, 1973, over the Detroit Tigers.

Oakland Clinches AL-West Crown

Frank Robinson talks about

Associated Press
A's pilot Alvin Dark congratulated by owner Charley Finley

NFL Patriots Surprise Rams, 20-14

Associated Press.
his future with Cleveland.

Runners had dogged Aspromonte out as soon as the Indians acquired to win most-valuable-player award.

...te that he was on the way
...red Robinson, the only man
...e in both leagues.

of the game, despite holding a slight statistical advantage. Bay's errors led to 13 Detroit points and the Lions' Al Mann had outdone Marcel that night with four field goals.

Friday's and Saturday's Line Scores

[illegible]

Major League Standings

[illegible]

Woodward Race Won by Forego

BELMONT, N.Y., Sept. 28 (UPI)—Furego finally had an opportunity to show which is the better horse in the United States, winning the \$115,000 Woodward Stakes by a neck over Arbee Boy yesterday on a damp Belmont Park track he didn't really appreciate.

Furego, favored at 2 to 1, returned \$6.6 after completing 2 1 1/2 miles in 2:37 3/5. Groomer Plan finished third after settling the pace well inside the eighth poles. True Knight, the 7-to-1 second choice, finished eighth in the field of 11.

The next race on Furego's schedule is likely to be the \$100,000 Jersey Club Gold Cup, over two miles, Nov. 8 at Aqueduct.

Diving Record Set

SORRENTO, Italy, Sept. 1 (UPI).—Enzo Maiorca set world deep diving record yesterday, six days after his previous attempt failed in a tangle with a television cable and a collision with an underwater photographer. Maiorca dived to 87 meters, breaking his own world record of 80 meters.

Cleveland May Select a Black

CLEVELAND, Sept. 29 (AP).—Frank Robinson and Larry Doby are considered the prime candidates to become major league baseball's first black manager, succeeding Ken Aspromonte, who has been fired as pilot of the Cleveland Indians.

Cleveland general manager Phil Seghi said yesterday that he would name the new manager within two weeks.

"I have no timetable," Seghi said, "but it will be sometime prior to the World Series, because I would like to have the new man with me at that time."

Seghi added that a clubhouse confrontation Friday night between Robinson and ace pitcher Gaylord Perry would have no effect on the decision. Perry and Robinson clashed over the pitcher's comment to a Cleveland writer that he would demand \$1 more than Robinson makes next season. Robinson's annual salary is \$173,000; Perry makes \$85,000.

"When I make the decision of who it will be, money will not make the difference, or players' attitudes will not make the difference," Seghi said. "I will pick the man because I think he is capable of leading this club to championship."

Aspromonte told the Indians in an emotional clubhouse meeting Friday night that he had been told by Seghi that he would not be rehired for next season.

Rumors had dogged Aspromonte that he was on the way out as soon as the Indians acquired Robinson, the only man to win most-valuable-player awards in both leagues.

